

Details on Revisions to Extra High-Voltage/High-Voltage Rate Options (Standard Options)

September 27, 2023

TEPCO Energy Partner, Inc.

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- From April, 2024, TEPCO EP will be offering three new electricity rate plans (*basic plan, market price adjustment-free plan, market price-linked plan*; hereinafter referred to as, “new rate plans”) as part of its extra high-voltage/high-voltage electricity rate options agreements that will reflect the fluctuation of wholesale power exchange spot market prices in different ways
- In conjunction with the offering of these new rate plans as standard options, we will stop accepting new applications for our current standard options agreements, with some exceptions, after FY2024. Customers that currently have standard options agreements with TEPCO EP until the end of March 2024 can decide to continue their current standard options agreement or switch over to a new rate plan. Furthermore, since the latest power configurations are reflected in the rates, the fuel cost adjustment calculation figures and energy amount rate unit prices in our current standard options shall be revised.
- We will begin accepting applications for the new rate plans at 10AM on Monday, October 23, 2023. TEPCO EP will stop accepting applications for new rate plans, with the exception of the market price-linked plan that is linked to market price, when the upper limit of power volume that TEPCO EP predicts it can supply has been reached. Thereafter, only applications for the market price-linked plan shall be accepted.
- TEPCO EP will continue to provide a stable source of power to our customers and strive to develop/provide appealing services that meet the needs of our customers and market conditions while streamlining the business operations.

1. New electricity rate plans

1-1. New Electricity Rate Plan Mechanism

- From April 1, 2024, we will be offering new rate plans as part of our standard options.
- The way in which adjustments are made to energy amount rates differ depending on whether you have chosen the basic plan, market price adjustment-free plan, or market price-linked plan.

Electricity rates

=

Basic rate

+

Energy amount rate

+

Renewable energy power promotion surcharge

Basic plan

Energy amount rate unit price × Used power volume

+

Fuel cost adjustment

Fuel cost adjustment unit price × Used power volume

+

Market price adjustment

Market price adjustment unit price × Used power volume

Market price adjustment-free plan

Energy amount rate unit price × Used power volume

+

Fuel cost adjustment

Fuel cost adjustment unit price × Used power volume

No market price adjustment

Market price-linked plan

Energy amount rate unit price × Used power volume

+

Market price adjustment

Market price adjustment unit price × Used power volume

Procurement from thermal power sources

Procurement from wholesale power exchange

1-2. New rate plan details

- The details of the new rate plans are as follows:

| | Basic plan | Market price adjustment-free plan | Market price-linked plan |
|-------------------------------|--|---|---|
| Characteristics | <ul style="list-style-type: none"> Rate plan that includes fuel cost adjustments and market price adjustments | <ul style="list-style-type: none"> Rate plan that is not affected by spot market price fluctuations (does not include market price adjustments) and is therefore suited for customers who wish to suppress large rate fluctuations | <ul style="list-style-type: none"> Rate plan that is linked to fluctuations in spot market price |
| Market adjustment percentage | Approximately 30% (upper limit stated in the provisions dated April 1, 2024) | 0% | 100% |
| Agreement term | Yearly (April 1~March 31 of the following year) | 2 years (April 1~March 31 two years later) | Yearly (April 1~March 31 of the following year) |
| Applied adjustments | Fuel cost adjustment and market price adjustment | Fuel cost adjustment only | Market price adjustment only |
| Energy amount rate unit price | Same unit price regardless of time-of-use (TOU) period | Same unit price regardless of time-of-use (TOU) period | Different unit price for four time-of-use (TOU) periods |
| Other supply conditions | <ul style="list-style-type: none"> Early agreement termination rates apply | <ul style="list-style-type: none"> Contract capacity modification limitations and minimum power consumption amounts applied to contracts with contract capacity for 500kW or more Early agreement termination rates apply | — |

- ※ The price announced by the wholesale power exchange for the power supply zone in which the customer's place of demand is located is used as the spot market price. However, if the price cannot be used for some reason, a value shall be determined by TEPCO EP based on basic market prices, etc.
- ※ As a general rule, basic plan and market price adjustment-free plan customers may not change their agreement type prior to expiration of their agreement.

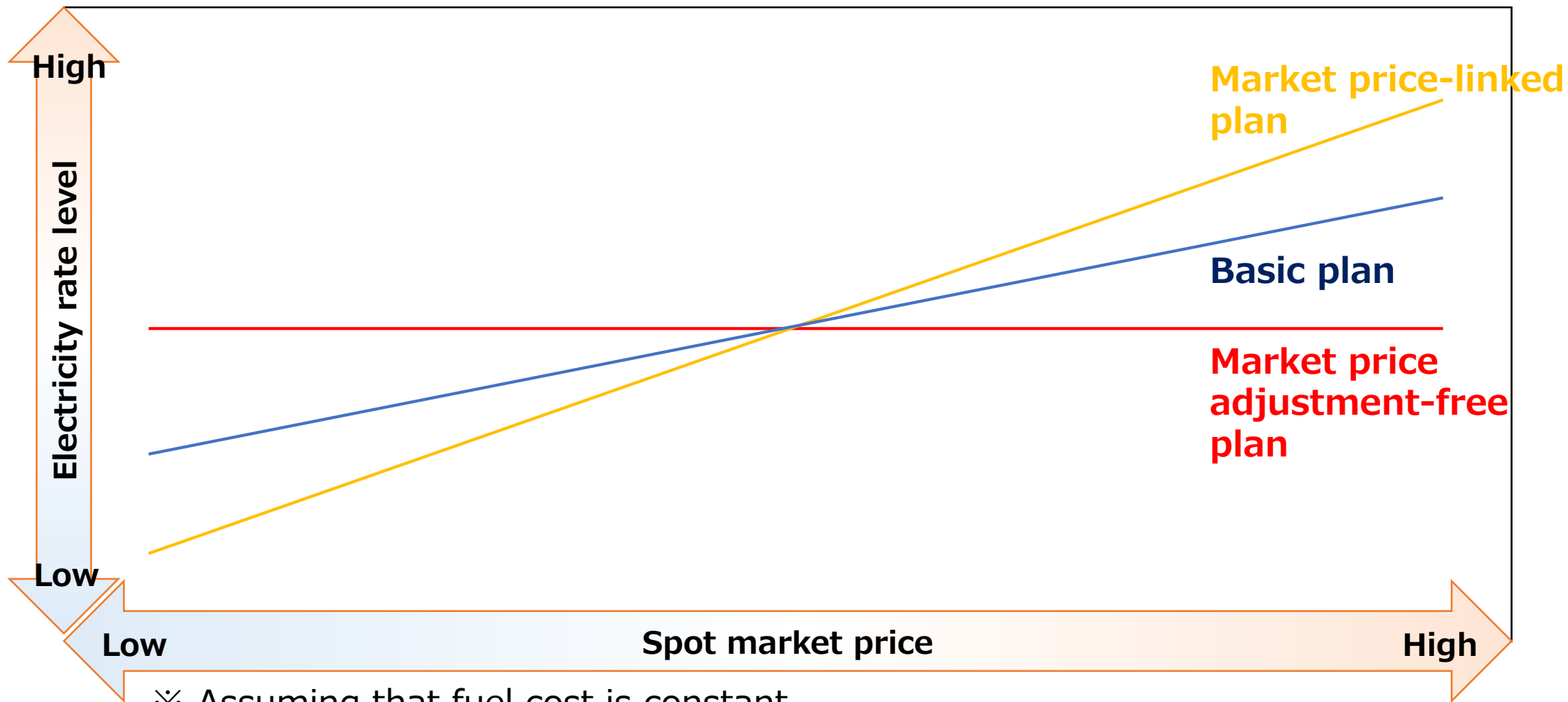
1-3. Concept diagram of new rate plan rate levels

Current customers

New customers

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- The market price adjustment-free plan is not affected by spot market price fluctuations. However, electricity rate levels will fluctuate in conjunction with fuel price fluctuations.
- Since the market price-linked plan is linked to spot market prices, if spot market prices soar, the electricity rate level will increase. However, this plan is not affected by fuel cost fluctuations.



※ Assuming that fuel cost is constant

1-4. Fuel cost adjustments and market price adjustments

Current customers

New customers

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- The following chart shows the figures used to calculate fuel cost adjustments and market price adjustments for the new rate plans.
- In order to properly reflect power procurement conditions and power sales volume trends in our rates, the basic market unit price for the basic plan shall be announced via TEPCO's website (in Japanese only) before the end of December 2023 and shall be no higher than the current level.
- Furthermore, the most recent power configurations have been reflected in the figures used to calculate fuel costs, etc.

| Fuel cost adjustment | | | | Market price adjustment | | | |
|-----------------------|--------------------|------------|-----------------------------------|-------------------------|--------------------|--|--------------------------|
| Item | | Basic plan | Market price adjustment-free plan | Item | | Basic plan | Market price-linked plan |
| Basic fuel price | | ¥57,500/kl | ¥57,500/kl | Basic market price | | ¥11.22/kWh | ¥11.22/kWh |
| Basic fuel unit price | Extra high-voltage | ¥0.169/kWh | ¥0.201/kWh | Basic market unit price | Extra high-voltage | To be announced by the end of December 2023 | ¥1.114/kWh |
| | (Upper limit) | | | | (Upper limit) | ¥0.328/kWh | – |
| Basic fuel unit price | High-voltage | ¥0.174/kWh | ¥0.207/kWh | Basic market unit price | High-voltage | To be announced by the end of December 2023 | ¥1.142/kWh |
| | (Upper limit) | | | | (Upper limit) | ¥0.337/kWh | – |
| Conversion factor | α(Crude oil) | 0.0048 | 0.0048 | Conversion factor | δ1 (All day) | 0.8288 | – |
| | β(LNG) | 0.3759 | 0.3759 | | δ2 (Daytime) | 0.1712 | – |
| | γ(Coal) | 0.6725 | 0.6725 | | | | |

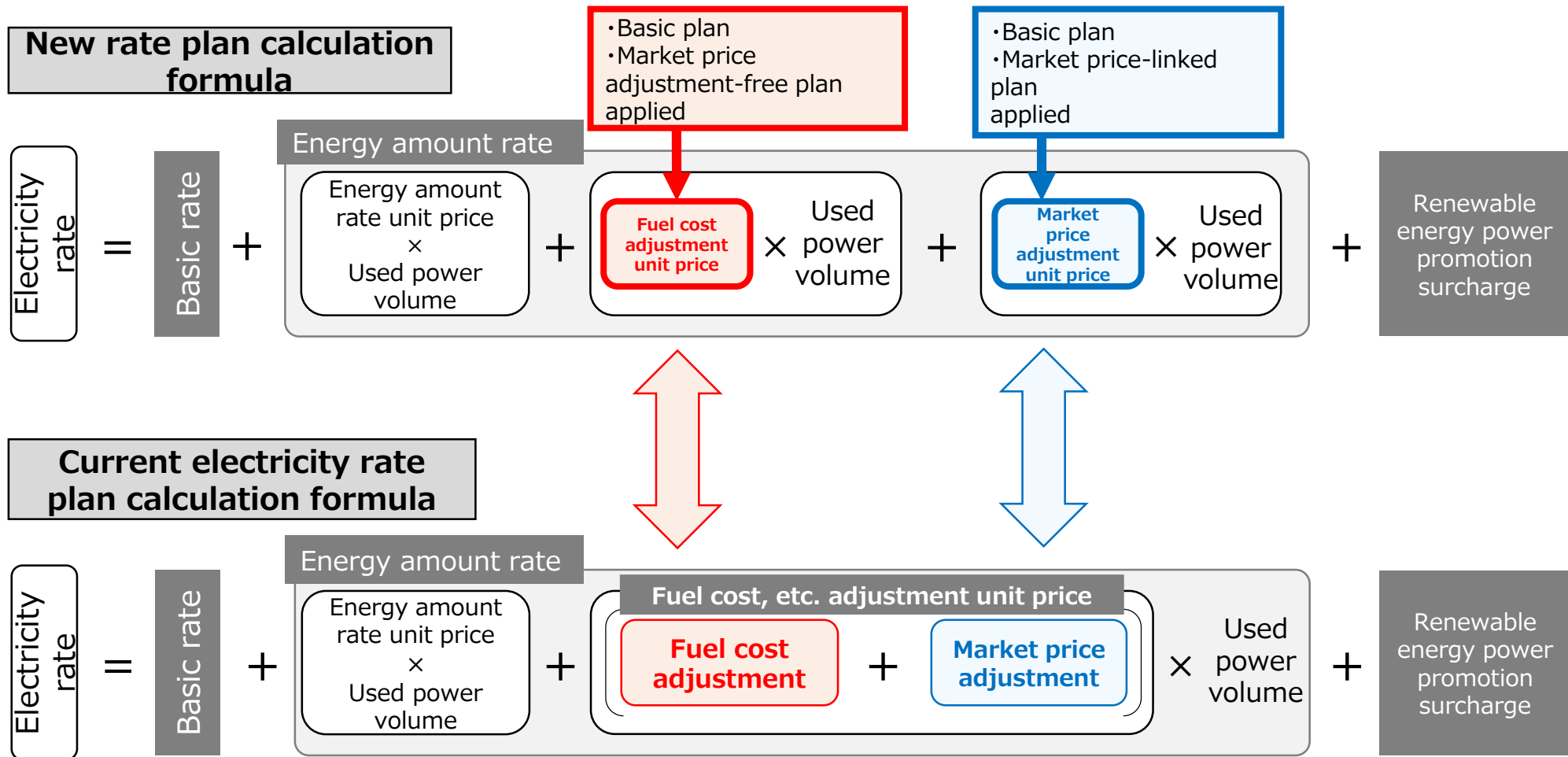
(Reference) Fuel Cost Adjustment Unit Price and Market Price Adjustment Unit Price

Current customers

New customers

Under current electricity rate plans, fuel cost etc. adjustment unit price is calculated in conjunction with fuel cost adjustments and market price adjustments (Refer to page 25)

Under the new rate plans, fuel cost adjustment unit price and market price adjustment unit price are calculated separately for each electricity rate plan. And, in principle, market price adjustment unit price is applicable to the month of that price. (Refer to pages 26~30)



(Reference) New rate plan electricity rate unit prices

Current customers

New customers

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- New rate plan electricity rate unit prices are as follows:

| Plan | Category | | Unit | Rate (tax included) ^{※1} | Applied adjustment | |
|-----------------------------------|--------------------|--------------------|-------------------------|-----------------------------------|---|--------|
| Basic plan | Extra high-voltage | Basic rate | 1kW | ¥1,704.89 | + Fuel cost adjustment + Market price adjustment | |
| | | Energy amount rate | 1kWh | ¥18.26 | | |
| | High-voltage | Basic rate | 1kW | ¥1,814.37 | | |
| | | Energy amount rate | 1kWh | ¥19.77 | | |
| Market price adjustment-free plan | Extra high-voltage | Basic rate | 1kW | ¥1,900.00 | + Fuel cost adjustment | |
| | | Energy amount rate | 1kWh | ¥18.98 | | |
| | High-voltage | Basic rate | 1kW | ¥2,000.00 | | |
| | | Energy amount rate | 1kWh | ¥20.84 | | |
| Market price-linked plan | Extra high-voltage | Basic rate | 1kW | ¥1,600.00 | + Market price adjustment | |
| | | Energy amount rate | Morning ^{※2} | 1kWh | | ¥13.89 |
| | | | Afternoon ^{※3} | | | ¥13.89 |
| | | | Evening ^{※4} | | | ¥13.89 |
| | | | Night ^{※5} | | | ¥13.78 |
| | High-voltage | Basic rate | 1kW | ¥1,700.00 | | |
| | | Energy amount rate | Morning ^{※2} | 1kWh | | ¥15.32 |
| | | | Afternoon ^{※3} | | | ¥15.32 |
| | | | Evening ^{※4} | | | ¥15.32 |
| | | | Night ^{※5} | | | ¥15.08 |

※1 If a general transmission and distribution utility, etc. revises its wheeling charges, TEPCO EP's electricity rates shall be revised to reflect the amount that the cost has fluctuated in conjunction with wheeling charge revisions on the day that the revisions to the wheeling service, etc. provision take effect. Depending on the wheeling charge revisions, basic rates may also be revised along with energy amount rates.

※2 Refers to the TOU period from 8AM to 1PM on weekdays (including Saturdays)

※3 Refers to the TOU period from 1PM to 4PM on weekdays (including Saturdays)

※4 Refers to the TOU period from 4PM to 10PM on weekdays (including Saturdays)

※5 Refers to the TOU period other than morning, afternoon, or evening. However, the entirety of Sundays/holidays (holidays designated by the Act on National Holidays), January 2, January 3, April 30, May 1, May 2, December 30 and December 31 shall also be considered "Night."

(Reference) Other primary supply conditions for the market price adjustment-free plan

Current customers

New customers

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- The following supply conditions are applied to contracts under the market price adjustment-free plan with contract capacity for 500kW or more
 - As a general rule, the contract capacity cannot be increased or reduced to less than 90%.
 - Minimum power consumption amount shall be stipulated as follows:
Minimum power consumption amount shall be calculated by multiplying the contract capacity by a number of hours stipulated by TEPCO EP (250 hours). If the used power volume for one month is less than the minimum power consumption amount, an "unused power rate" derived by multiplying the energy amount rate unit price by the amount of unused power (calculated by subtracting the used power volume for that month from the minimum power consumption amount) (the fuel cost adjustment amount is added) shall be added to that month's electricity rates.

(Reference) Early agreement termination rates

Current customers

New customers

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- Basic plan customers shall be charged to the following early agreement termination rates if they cancel an agreement before it expires.

If an agreement is terminated during the fiscal year ^{※1}, the following amount shall be charged in accordance with the amount of time remaining before the end of the fiscal year.

(Contract capacity x Basic rate unit price x Power factor discount ^{※2}) x Amount of time remaining before the end of the fiscal year x 10%

- Market price adjustment-free plan customers shall be charged to the following early agreement termination rates if they cancel an agreement before it expires.

<Customers with contract capacities for less than 500kW>

- If an agreement is terminated during the fiscal year ^{※1}, the following amount shall be charged in accordance with the amount of time remaining before the end of the fiscal year.

(Contract capacity x Basic rate unit price x Power factor discount ^{※2}) x Amount of time remaining before the end of the fiscal year x 10%

- If one year or more is left in the agreement period (12-months), the following formula will be used in addition to ①

(Contract capacity x Basic rate unit price x Power factor discount ^{※2}) x 12 months x 5%

<Customers with contract capacities for 500kW or more>

- If an agreement is terminated during the fiscal year ^{※1}, the following amount shall be charged in accordance with the amount of time remaining before the end of the fiscal year.

(Contract capacity x Basic rate unit price x Power factor discount ^{※2} + Minimum power consumption amount x Energy amount rate unit price) x Amount of time remaining before the end of the fiscal year x 10%

- If one year or more is left in the agreement period (12-months), the following formula will be used in addition to ①

(Contract capacity x Basic rate unit price x Power factor discount ^{※2} + Minimum power consumption amount x Energy amount rate unit price) x 12 months x 5%

※1 Including cases where attempts are made to terminate the supply-demand agreement before the commencement of supply-demand

※2 Calculated using a power factor of 100%

2. Current electricity rate plans

2. Overview of revisions to current electricity rate plans

- Partial revisions to current electricity rate plans shall be implemented in April 2024 in conjunction with the provision of new rate plans as standard options.

< Revisions >

- ① Revisions to figures used when calculating fuel cost, etc. adjustments
 - ② Revisions to energy amount rate unit price
 - ③ Other revisions
- ※ Customers that currently have standard options agreements with TEPCO EP until the end of March 2024 can decide to continue their current standard options agreement or switch over to a new rate plan.

2-1. Revisions to figures used for calculating fuel cost, etc. adjustments

- The figures used to calculate fuel cost, etc. adjustments shall be revised in light of power supply procurement conditions and fluctuations in spot market prices.
- In order to properly reflect power procurement conditions and power sales volume trends in our rates, the basic market unit price shall be announced via TEPCO EP's website (in Japanese only) before the end of December 2023 and shall be no higher than the current level.
- Furthermore, in order to reflect recent market conditions, etc., the basic market price calculation period shall be changed from the average over the last year, to the average over the last three months (May ~July 2023).

< Figures used to calculate fuel cost, etc. adjustments >

| | | Item | Prior to revision | After revision |
|-------------------------|---|--------------------|-------------------|--------------------------|
| Fuel cost adjustment | Basic fuel price | | ¥64,900/kl | ¥57,500/kl ^{※1} |
| | Basic fuel unit price (including tax) | Extra high-voltage | ¥0.145/kWh | ¥0.169/kWh |
| | | High-voltage | ¥0.150/kWh | ¥0.174/kWh |
| | Conversion factor | α(Crude oil) | 0.0033 | 0.0048 |
| | | β(LNG) | 0.4001 | 0.3759 |
| | | γ(Coal) | 0.6241 | 0.6725 |
| Market price adjustment | Basic market price | | ¥17.44/kWh | ¥11.22/kWh |
| | Basic market unit price (including tax) | Extra high-voltage | ¥0.328/kWh | ¥0.328/kWh ^{※2} |
| | | High-voltage | ¥0.337/kWh | ¥0.337/kWh ^{※2} |
| | Conversion factor | δ1 (All day) | 0.6566 | 0.8288 |
| | | δ2 (Daytime) | 0.3434 | 0.1712 |

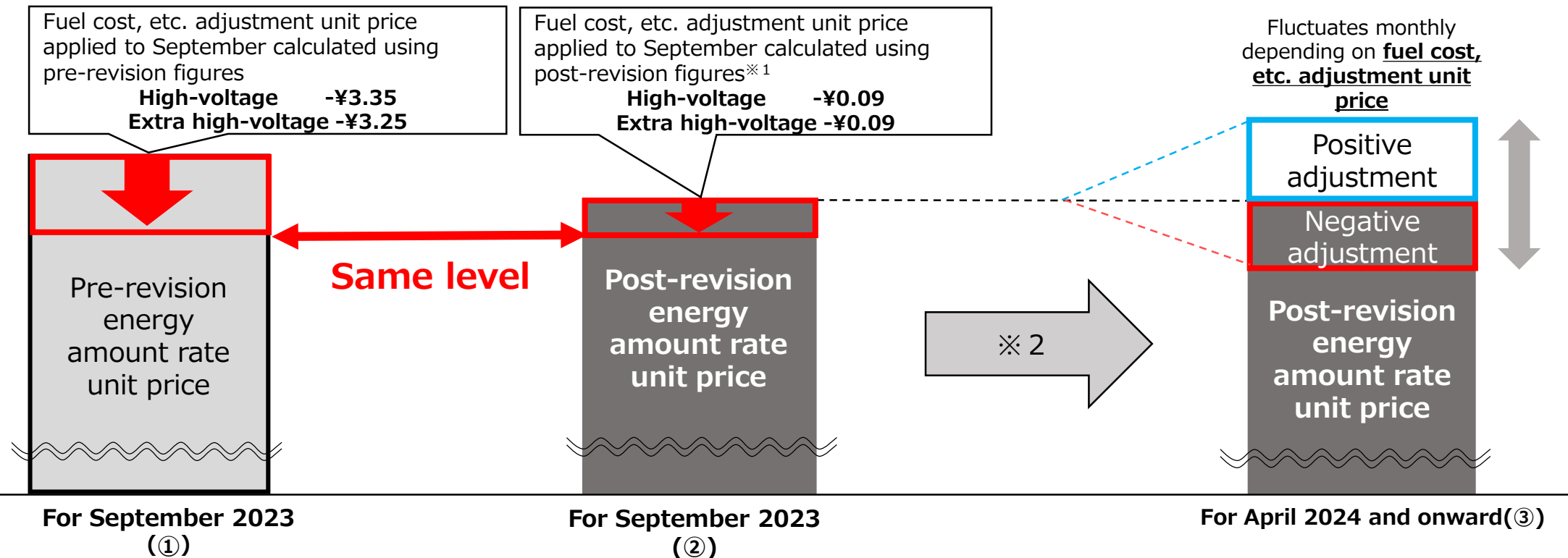
※1 Calculated based on trade statistics prices for April~June 2023

※2 Determined price shall be announced via TEPCO EP's website (in Japanese only) by the end of December 2023.

2-2. Energy amount rate unit price revisions

- In conjunction with revisions to figures used to calculate fuel cost, etc. adjustments, the following energy amount rate unit price revisions shall also be implemented in order to ensure that there is no change to the burden on our customers.
- The post-revision energy amount rate unit price shall be set so that “the sum of the pre-revision energy amount rate unit price and pre-revision September 2023 fuel cost, etc. adjustment unit price” and “the sum of the post-revision energy amount rate unit price and post-revision September 2023 fuel cost, etc. adjustment unit price” are at a same level when it is announced(① and ② in the diagram).
- Additionally, the fuel cost, etc. adjustment unit price shall be added to calculate the energy amount rate (③ in the diagram).

< Before and after revision of the energy amount rate unit price and the impact of fuel cost, etc. adjustment unit price >



※1 A fuel cost, etc. adjustment unit price will be generated in conjunction with the difference in the basic market price calculation period (May 1~July 31, 2023) and the period for calculating the September average market price (April 21~July 20, 2023). Furthermore, an upper limit is used to calculate both high-voltage and extra high-voltage basic market unit price.

※2 Energy amount rates will be calculated using the pre-revision energy amount rate unit price and the fuel cost, etc. adjustment unit price until post-revision rates are applied.

2-3. The impact on the customer from this model case

- Due to their nature it will be difficult to predict fuel prices and spot market prices.
- Pre and post-revision electricity rates should be approximately the same if calculated using the post-revision basic market unit price as the current level.
- If the basic market unit price is lower than the upper limit, there should be a smaller range of fluctuation in rates when market price falls or rises.

<Degree of fluctuation if calculated using the post-revision basic market unit price of ¥0.200/kWh>

Estimate conditions

■ Average market price

| | Before rate revision | After rate revision |
|-------------------------|----------------------|---------------------|
| When market price falls | ¥6.00/kWh | |
| When market price rises | ¥30.00/kWh | |

■ Average fuel price

| Before rate revision | After rate revision |
|--|--|
| ¥57,800/kl (Trade statistics prices for April~June 2023 used) | ¥57,500/kl (Trade statistics prices for April~June 2023 used) |

* Includes amounts corresponding to consumption tax, etc. and fuel cost, etc. adjustment amounts * Does not include renewable energy power promotion surcharge

* Calculated using a power factor of 100%

* Does not include discount from nationwide measures to mitigate sharp fluctuations * Does not include the impact from revisions to the wheeling service, etc. provision

(Monthly amount)

| | | | Before rate revision | | After rate revision | |
|---------------------------------------|---|---|---------------------------------------|-------------------------|-------------------------------------|-------------------------|
| | | | When market price falls | When market price rises | When market price falls | When market price rises |
| High-voltage (Voltage: 6kV) | Business power Small/midsize supermarkets/offices, etc. | Contract capacity 150kW Monthly used power volume 33,000kWh | ¥0.83 million | ¥1.10 million | ¥0.85 million | ¥1.01 million |
| | | | Fluctuation : ¥0.27 million → | | Fluctuation : ¥0.16 million | |
| Extra high-voltage (Voltage: 60kV) | High-voltage, seasonal, time-of-use power Factories, etc. | Contract capacity 1,300kW Monthly used power volume 520,000kWh | ¥10.71 million | ¥14.92 million | ¥11.04 million | ¥13.53 million |
| | | | Fluctuation : ¥4.21 million → | | Fluctuation : ¥2.49 million | |
| Extra high-voltage (Voltage: 60kV) | Extra high-voltage, seasonal, time-of-use power A Department stores/large scale office buildings, etc. | Contract capacity 4,000kW Monthly used power volume 1,600,000kWh | ¥31.01 million | ¥43.60 million | ¥31.94 million | ¥39.62 million |
| | | | Fluctuation : ¥12.59 million → | | Fluctuation : ¥7.68 million | |
| Extra high-voltage (Voltage: 60kV) | Extra high-voltage, seasonal, time-of-use power B Factories, etc. | Contract capacity 6,000kW Monthly used power volume 2,400,000kWh | ¥45.96 million | ¥64.85 million | ¥47.36 million | ¥58.88 million |
| | | | Fluctuation : ¥18.89 million → | | Fluctuation : ¥11.52 million | |

2-4. Other supply condition revisions

- In addition to the revisions to fuel cost, etc. adjustment calculation figures and energy amount rate unit price, the following revisions will also be made.

【Elimination of restriction and suspension rate discounts】

According to the wheeling service, etc. provision, if a general transmission and distribution utility, etc. restricts or suspends the use of electricity, the basic rate had been discounted, however, as is the case with low-voltage electricity rates, this has been eliminated in order to streamline business operation and ultimately decrease electricity rates.

【Elimination of rate rules during periods of supply stop】

According to the wheeling service, etc. provision, if a general transmission and distribution utility, etc. stops transmitting electricity, electricity rates during the period of supply stop were prorated based on the monthly charges when electricity was not used at all. However, this has been eliminated in order to streamline business operations and ultimately decrease electricity rates.

【Revisions to rules on rounding numbers when calculating rates, etc.】

The rules for rounding numbers when calculating rates, etc. or calculating used power volume have been revised in order to suitably reflect current operation in the provisions. These revisions will not impact the customer.

2-5. Applicable period of the revised electricity rates

- Revised electricity rates will gradually be applied the day following the expiration date of current agreement on or after March 31, 2024.
- The elimination of restriction and suspension rate discounts and rate rules during periods of supply stop, and revisions to rules on rounding numbers during the calculation of rates, etc., will go into effect on April 1, 2024 regardless of the agreement term.
- If a general transmission and distribution utility, etc. revises its wheeling charges, TEPCO EP's electricity rates shall be revised to reflect the amount that the cost has fluctuated in conjunction with wheeling charge revisions on the day that the revisions to the wheeling service, etc. provision take effect.
- ※ Depending on the wheeling charge revisions, basic rates may also be revised along with energy amount rates.

3. Electricity rate plan application procedure

3-1. No longer accepting new applications for current standard options

Current customers

New customers

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- In conjunction with the offering of these new rate plans as standard options, we will stop accepting new applications for our current standard options agreements, with some exceptions, after April 2024.
- Customers that currently have standard options agreements with TEPCO EP until the end of March 2024 can decide to continue their current standard options agreement or switch over to a new rate plan.

Electricity rate plans for which new applications will continue to be accepted after April 2024

High-voltage

- Business, seasonal, time-of-use power
- Business power
- High-voltage, seasonal, time-of-use power (Contract capacity: 500kW+)
- High-voltage power (Contract capacity: 500kW+)

- Customers that wish to newly sign up for high-voltage, seasonal, time-of-use power A (contract capacity: less than 500kW) or high-voltage power A (contract capacity: less than 500kW) will, for the time being, be charged the same rates as high-voltage, seasonal, time-of-use power or high-voltage power.
- Customers continuing their current standard options agreement that wish to newly sign up for supplementary power for private power generation or reserve power after April 2024 can apply for the supplementary power for private power generation or reserve power options currently offered.

< Information on new rate plans >

- An extra webpage on TEPCO EP's website dedicated to information on new electricity rate plans will be accessible from 10AM, Thursday, September 28, 2023 (in Japanese only)
https://www.tepco.co.jp/ep/corporate/plan_h/minaoshi_2024plan.html

< Information for customers that currently have power agreements with TEPCO EP >

- Starting at the end of the October 2023, letters will be sent via mail, etc. to customers that currently have extra high-voltage or high-voltage agreements with TEPCO EP to inform them of the electricity rate revisions.
- An extra webpage on TEPCO EP's website dedicated to information on new electricity rate plans will be accessible from 10AM, Thursday, September 28, 2023 (in Japanese only)
https://www.tepco.co.jp/ep/corporate/plan_h/minaoshi_2024.html
- A telephone hotline will also be established.
※The hotline number shall be conveyed via TEPCO EP's website and the aforementioned letter.

3-3. Application procedure

- We will begin accepting applications for new rate plans or current standard options at 10AM on Monday, October 23, 2023.
- Please fill out the application form on TEPCO EP's website (in Japanese only). Detailed information on the application process will be posted to TEPCO EP's website on Tuesday, October 10.
- TEPCO EP will stop accepting applications for new rate plans, with the exception of the market price-linked plan, when the upper limit of power volume that TEPCO EP predicts it can supply has been reached. Please also note that even in cases where the predicted upper limit of power volume is not reached, the application may be terminated after taking into consideration the supply-demand situation and other factors. Thereafter, only applications for the market price-linked plan shall be accepted.

<Schedule for the posting of information to TEPCO EP's website (in Japanese only)>

10AM, Thursday,
September 28

- <Extra webpage accessible>
- New rate plans
 - Details on standard options revisions

Tuesday, October 10

Application
procedure
information

10AM, Monday,
October 23

Applications
accepted

(Reference materials)

(Reference) Fuel cost, etc. adjustments applied to current electricity rate plans

- Fuel cost, etc. adjustment refers to a mechanism for automatically adjusting electricity rates on a monthly basis in accordance with fluctuations in thermal power of fuel (crude oil/liquefied natural gas (LNG)/coal) price fluctuations and wholesale power exchange spot market price* fluctuations in order to quickly reflect these fluctuations in electricity rates.

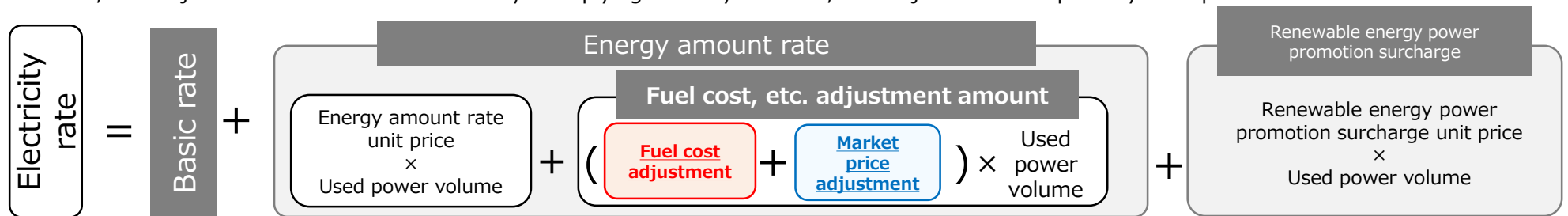
□ Fuel cost, etc. adjustment unit price calculation method

- Fuel cost adjustments are calculated from average fuel prices and basic fuel unit price, and market price adjustments are calculated from average market prices and basic market unit price. The combination of these two adjustments are used to calculate the monthly fuel cost, etc. adjustment unit price.

$$\begin{aligned}
 \text{Fuel cost, etc. adjustment unit price} = & \text{Fuel cost adjustment} \\
 & (\text{Average fuel price} - \text{Basic fuel price}) \times \text{Basic fuel unit price} \div 1,000 \\
 + & \text{Market price adjustment} \\
 & (\text{Average market price} - \text{Basic market price}) \times \text{Basic market unit price}
 \end{aligned}$$

□ Reflecting fuel cost, etc. adjustment unit price in electricity rates

- Fuel cost, etc. adjustment amount is calculated by multiplying monthly fuel cost, etc. adjustment unit price by used power volume.



□ The calculation period for fuel prices and spot market prices and when they are reflected in electricity rates

- Monthly fuel cost, etc. adjustment unit price is calculated based on three-month trade statistics prices and spot market prices, and fuel prices and spot market prices are reflected in electricity rates two months and approximately 1.5 months later, respectively.

| Jan | Feb | Mar | Apr | May | Jun | Jul |
|--------------------------------------|---------------------------------------|--------------------------------------|-----|-----|------------------------|------------------------|
| January~March trade statistics price | | | → | | June electricity rates | |
| | January 21~April 20 spot market price | | → | | | |
| | February~April trade statistics price | | | → | | July electricity rates |
| | | February 21~May 20 spot market price | | → | | |

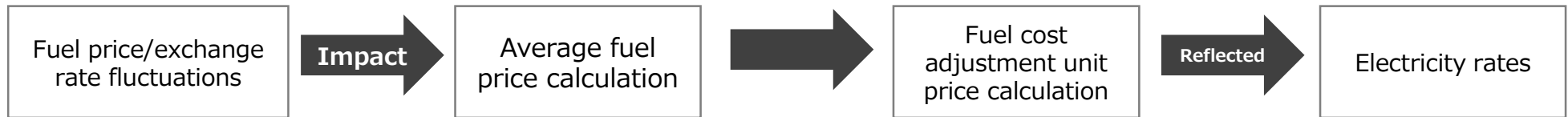
* The price announced by the wholesale power exchange for the power supply zone in which the customer's place of demand is located is used as the spot market price. However, if the price cannot be used for some reason, a value shall be determined by TEPCO EP based on basic market prices, etc.

□ Fuel cost adjustment mechanism

- Monthly average fuel prices are calculated based on three-month trade statistics prices for crude oil, LNG and coal.
- The calculated average fuel price is compared with the basic fuel price determined based on trade statistics prices for April~June 2023. The fuel cost adjustment unit price is calculated based on the difference between these two prices and reflected in electricity rates.

[Fuel cost adjustment system flow (diagram)]

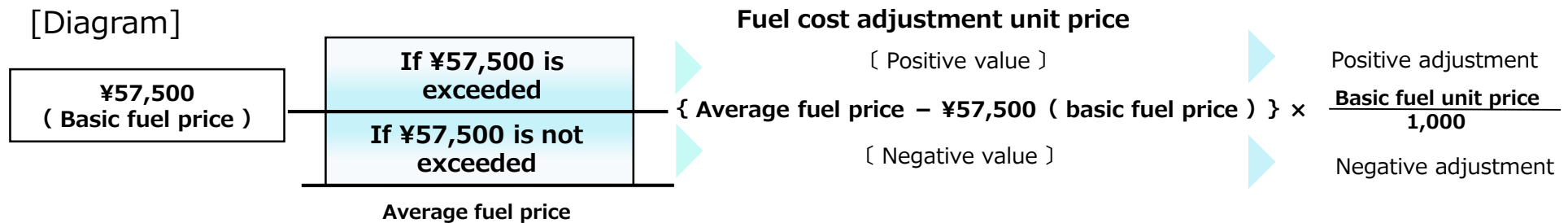
Compared with basic fuel price



□ Fuel cost adjustment plus/minus adjustment

- If the fuel cost adjustment unit price is positive, a positive adjustment is made, if the value is negative, a negative adjustment is made.

[Diagram]



□ The calculation period for fuel prices and when they are reflected in electricity rates

- Monthly fuel cost adjustment unit price is calculated based on three-month trade statistics prices and reflected in electricity rates two months later.

[Diagram]

| Jan | Feb | Mar | Apr | May | Jun | Jul |
|--------------------------------------|---------------------------------------|-----|-----|-----|------------------------|------------------------|
| January~March trade statistics price | | | → | | June electricity rates | |
| | February~April trade statistics price | | → | | | July electricity rates |

□ Fuel cost adjustment unit price calculation method

- Monthly fuel cost adjustment unit price is calculated from average fuel prices and basic fuel prices

Fuel cost adjustment unit price

$$= (\text{Average fuel price}^{②} - \text{Basic fuel price}^{①}) \times \text{Basic fuel unit price}^{③} \div 1,000$$

① Basic fuel price

- Basic fuel price refers to the average fuel price used to determine rates.
- It is determined based on the trade statistics price for April 2023~June 2023

② Average fuel price

- Calculated using the three-month trade statistics price for crude oil, LNG and coal and the following formula:

$$\text{Average fuel price (crude oil conversion: per 1kl)} = A \times a + B \times \beta + C \times \gamma$$

A : Average crude oil price/1kL over 3 months

B : Average LNG price/1t over 3 months

C : Average coal price/1t over 3 months

※ a , β , and γ are factors (fixed) used to match the unit with crude oil, which are also multiplied by the composition ratio for each fuel. This is used to calculate the crude oil conversion average fuel price from the average price of each fuel.

③ Basic fuel unit price

- Refers to the amount of fluctuation per 1kWh of power generated when there is an increase or decrease of ¥1,000/kL in average fuel price.

□ Fuel cost adjustment amount calculation method

- Fuel cost adjustment amount is calculated by multiplying monthly fuel cost adjustment unit price by used power volume.

Market price adjustment mechanism

- Monthly average market price is calculated based on the one-month spot market price in the wholesale power exchange. The method for calculating average market price differs depending on the rate plan.

[In the case of the Basic plan]

Calculated based on all day spot market price ^{※1} and daytime spot market price ^{※2}

※ 1 Simple average spot market price from 12AM until 12AM the following day

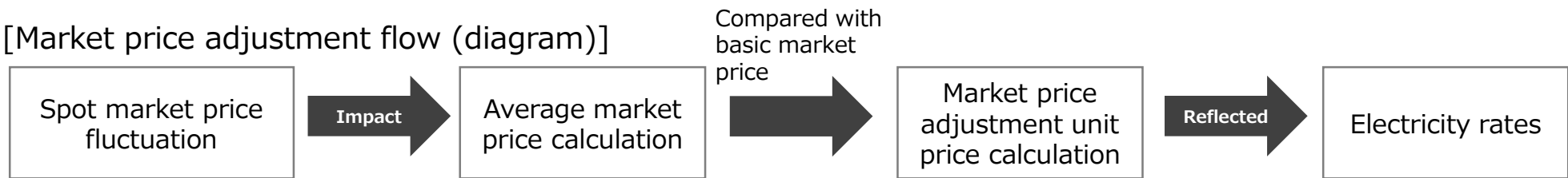
※ 2 Simple average market price from 8AM to 4PM of every day

[In the case of the Market price-linked plan]

Calculated based on the market price for each time-of-use (TOU) period.

- The market price adjustment unit price is calculated based on the difference between the calculated average market price and the basic market price determined based upon the spot market price between May 2023~July 2023, and reflected in electricity rates.

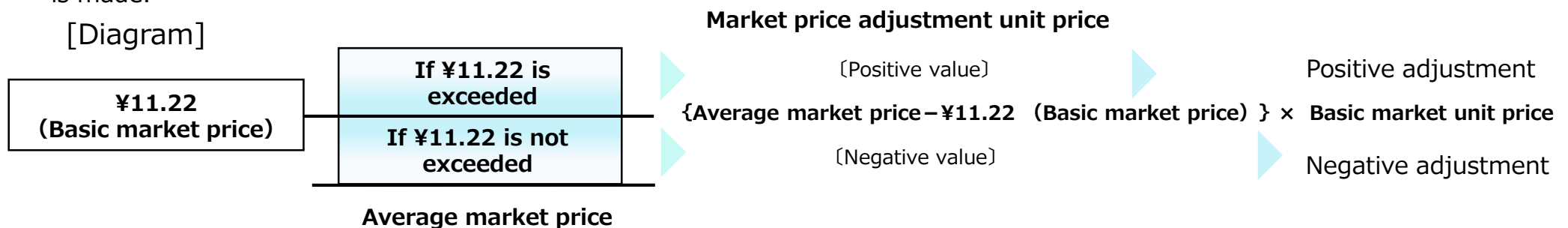
[Market price adjustment flow (diagram)]



Market price adjustment plus/minus adjustment

- If the market price adjustment unit price is positive, a positive adjustment is made, if the value is negative, a negative adjustment is made.

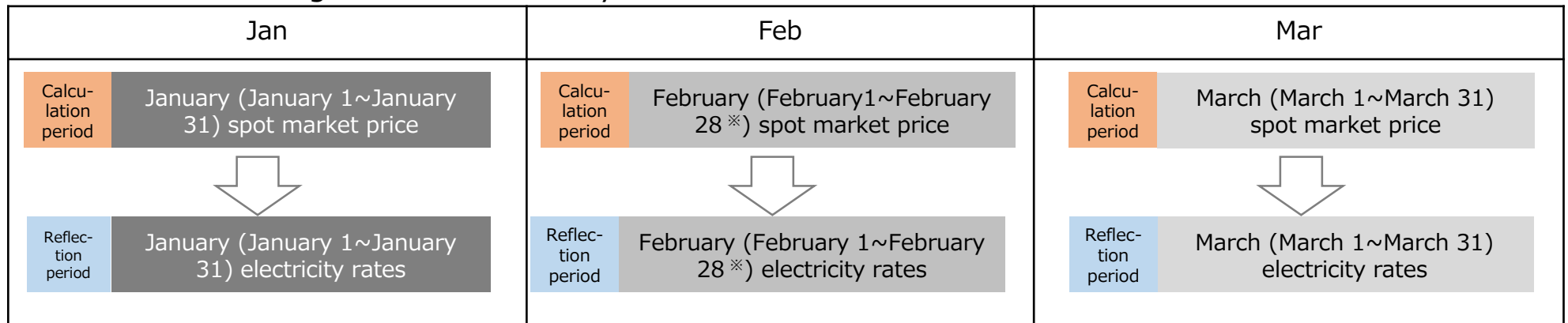
[Diagram]



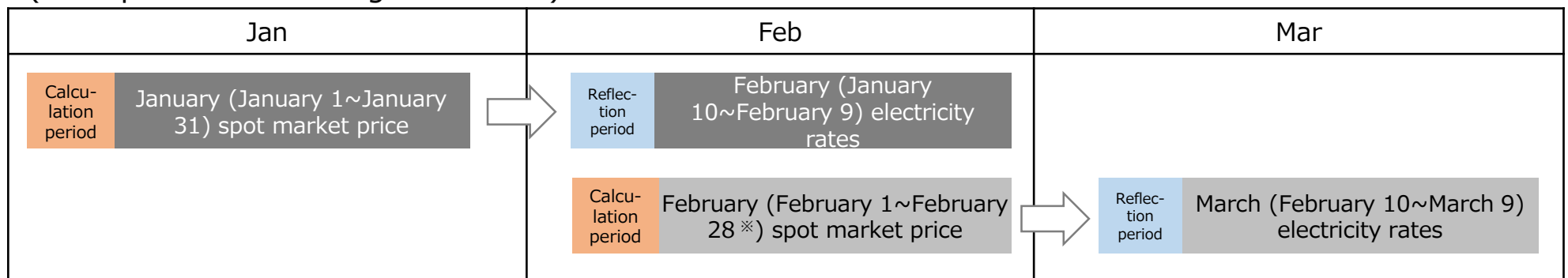
- ❑ The calculation period for spot market prices and when they are reflected in electricity rates
 - The monthly market price adjustment unit price is calculated based on one-month spot market prices
 - The market price adjustment is reflected in electricity rates as follows based on the day that the meters are read by the general transmission and distribution utility, etc.
 - ① Adjustments are reflected in electricity rates for the current month if the meters are read on the first day of each month.
 - ② Adjustments are reflected in electricity rates for the following month if the meter reading date is between the second day of the month and the last day of the month.

[Diagram]

① If the meter reading date is the first day of each month



② If the meter reading day is between the second day of the month and the last day of the month
(Example: Meter reading date: 10th)



※ February 1~February 29 in the case of a leap year

□ Market price adjustment unit price calculation method

- Monthly market price adjustment unit price is calculated using the average market price and the basic market unit price.
- Furthermore, for the market price-linked plan, market price adjustment unit price is calculated for each time-of-use (TOU) period.

Market price adjustment unit price

$$= (\text{Average market price}^{②} - \text{Basic market price}^{①}) \times \text{Basic market unit price}^{③}$$

① Basic market price

- Basic market price refers to the average market price which is used to determine rates.
- It is determined based on the spot market price for May 2023~July 2023.

② Average market price

- Monthly average market price is calculated based on the one-month spot market price in the wholesale power exchange.

【 In the case of the basic plan 】

Calculated using the following formula:

$$\text{Average market price (per 1kWh)} = D \times \delta 1 + E \times \delta 2$$

D : Simple average spot market price per 1kWh over the course of one month from 12AM to 12AM of the following day.

E : Simple average spot market price per 1kWh over the course of one month from 8AM to 4PM of every day.

※ $\delta 1$ and $\delta 2$ are the composition ratios of all day and daytime electricity volumes in electricity procured from wholesale power exchanges and electricity volumes equivalent to market price trading (including FIT electricity purchase volume).

【In the case of the market price-linked plan】

$$\begin{aligned} &\text{Average market price (per 1kWh)} \\ &= \text{Simple average spot market price per 1kW for each TOU period over the course of one month} \end{aligned}$$

③ Basic market unit price

- Refers to the amount of fluctuation per 1kWh of power volume generated by an increase/decrease of ¥1/kWh in average market price

□ Market price adjustment amount calculation method

- The market price adjustment amount is calculated by multiplying monthly market price adjustment unit price by the used power volume.

- In order to secure energy security and provide a stable supply of power it is important to quickly recommence the operation of nuclear power stations that can provide an affordable and stable source of power. As far as TEPCO EP is concerned, leveraging nuclear power is also an effective means for suppressing/stabilizing wholesale power exchange procurement prices and also suppressing procurement from the wholesale power exchange. However, we don't have a definitive timeline for the recommencement of operation.
- However, in order to maximize reductions in cost by suppressing power source procurement costs, etc., in light of the details of the comprehensive special business plan, we have assumed that the TEPCO HD Kashiwazaki-Kariwa Nuclear Power Station Unit 7 will be in operation during the cost calculation period of FY2024.
- At this time, we cannot offer a definitive date for the recommencement of operation, and nuclear power has just been provisionally included in rate calculation. We will continue to respond the additional inspections of the Kashiwazaki-Kariwa Nuclear Power Station implemented by the Nuclear Regulation Agency as we do our best to ensure safety.