

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for December 2014

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- Aug 2014 (for November 2014)	July - September 2014 (for December 2014)			
			Average	Jul 2014	Aug 2014	Sep 2014
Crude Oil (JPY/kl)	57,802	71,016	70,841	71,421	71,047	70,048
LNG (JPY/ t)	67,548	84,996	84,699	85,129	84,284	84,637
Coal (JPY/ t)	11,452	9,816	9,779	9,812	9,733	9,797
Average Fuel Price(JPY/kl)	44,200	54,200		(fixed)	(fixed)	(preliminary)

(basic fuel price)

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

Crude Oil Price	70,841 JPY/kl	×	0.1970 (α)
LNG Price	84,699 JPY/ t	×	0.4435 (β)
Coal Price	9,779 JPY/ t	×	0.2512 (γ)

+)

(Maximum unit: 100 JPY) Rounded off to the nearest 10

Average Fuel Price **54,000 JPY/kl** (compared with the previous period: - 200 Y/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(\frac{54,000 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= 2.2344 \text{ JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= \mathbf{2.23 \text{ JPY/kWh}}
 \end{aligned}$$

3. The calculation of the Electricity Rates for December 2014 (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.

The automatic bank transfer discount included.

Demand Charge	+	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">19.43 JPY/kWh × 120kWh</td> <td style="width: 5%; text-align: center;">+</td> <td style="width: 45%;">25.91 JPY/kWh × 170kWh</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 dashed black; padding: 2px;">2.23 JPY/kWh</td> <td></td> <td style="border: 1px dashed black; padding: 2px;">290kWh</td> </tr> </table>	19.43 JPY/kWh × 120kWh	+	25.91 JPY/kWh × 170kWh	+ Fuel Cost Adjustment			Fuel Cost Adjustment Unit Price	×	Consumption	2.23 JPY/kWh		290kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
19.43 JPY/kWh × 120kWh	+	25.91 JPY/kWh × 170kWh																
+ Fuel Cost Adjustment																		
Fuel Cost Adjustment Unit Price	×	Consumption																
2.23 JPY/kWh		290kWh																
842.40 JPY				217 JPY		54 JPY												
= 8,388 JPY																		

* The calculated electricity rate above includes a consumption tax and other costs.