

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for February 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)	Aug- Oct 2014 (for January 2015)	September - November 2014 (for February 2015)			
			Average	Sep 2014	Oct 2014	Nov 2014
Crude Oil (JPY/kl)	57,802	69,902	67,471	70,053	68,603	63,593
LNG (JPY/ t)	67,548	86,025	89,328	84,637	89,246	94,374
Coal (JPY/ t)	11,452	9,873	10,023	9,799	10,109	10,193
Average Fuel Price(JPY/kl)	44,200	54,400		(fixed)	(fixed)	(preliminary)

(basic fuel price)

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

Crude Oil Price	67,471 JPY/kl	×	0.1970 (α)
LNG Price	89,328 JPY/ t	×	0.4435 (β)
Coal Price	10,023 JPY/ t	×	0.2512 (γ)

+)

Average Fuel Price 55,400 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: + 1,000Y/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(\frac{55,400 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= 2.5536 \text{ JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= \boxed{2.55 \text{ JPY/kWh}}
 \end{aligned}$$

3. The calculation of the Electricity Rates for February 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%;">Energy</td> <td style="width: 50%;"></td> </tr> <tr> <td>19.43 JPY/kWh × 120kWh</td> <td></td> </tr> <tr> <td>25.91 JPY/kWh × 170kWh</td> <td></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;">2.55 JPY/kWh</td> <td style="border: 1px dashed black; padding: 2px;">× 290kWh</td> </tr> </table>	Energy		19.43 JPY/kWh × 120kWh		25.91 JPY/kWh × 170kWh		+		Fuel Cost Adjustment		Fuel Cost Adjustment Unit Price	Consumption	2.55 JPY/kWh	× 290kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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842.40 JPY				217 JPY		54 JPY														
= 8,481 JPY																				

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