

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for January 2016

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)	July - Sept 2015 (for December 2015)	Aug - Oct 2015 (for January 2016)			
			Average	Aug 2015	Sept 2015	Oct 2015
Crude Oil (JPY/kl)	57,802	44,954	40,546	46,103	38,995	36,138
LNG (JPY/ t)	67,548	58,613	59,308	58,758	60,185	58,947
Coal (JPY/ t)	11,452	9,478	9,207	9,619	9,146	8,841
Average Fuel Price(JPY/kl)	44,200	37,200				

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

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

Crude Oil Price	40,546 JPY/kl	×	0.1970 (α)
LNG Price	59,308 JPY/ t	×	0.4435 (β)
Coal Price	9,207 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: -660JPY/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 January 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 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 × 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 solid black; padding: 2px;">-1.73 JPY/kWh</td> <td></td> <td style="border: 1px solid 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	-1.73 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																
-1.73 JPY/kWh		290kWh																
842.40 JPY				458 JPY		54 JPY												
= 7,481 JPY																		

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