

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for February 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) | Aug. - Oct. 2015 (for Jan. 2016) | Sept. - Nov. 2015 (for February 2016) | | | |
|----------------------------|--|-------------------------------------|---------------------------------------|------------|-----------|-----------|
| | | | Average | Sept. 2015 | Oct. 2015 | Nov. 2015 |
| Crude Oil (JPY/kl) | 57,802 | 40,546 | 37,151 | 38,995 | 36,161 | 36,201 |
| LNG (JPY/ t) | 67,548 | 59,308 | 58,610 | 60,185 | 58,947 | 56,679 |
| Coal (JPY/ t) | 11,452 | 9,207 | 8,974 | 9,146 | 8,846 | 8,926 |
| Average Fuel Price(JPY/kl) | 44,200 | 36,600 | | | | |

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

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

| | | | |
|-----------------|---------------|---|------------|
| Crude Oil Price | 37,151 JPY/kl | × | 0.1970 (α) |
| LNG Price | 58,610 JPY/ t | × | 0.4435 (β) |
| Coal Price | 8,974 JPY/ t | × | 0.2512 (γ) |

+)

Average Fuel Price 35,600 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: -1,000JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(\frac{35,600 \text{JPY/kl}}{1,000} - \frac{44,200 \text{JPY/kl}}{1,000} \right) \times \frac{0.228 \text{JPY/kWh}}{1,000} \\
 &= -1.9608 \text{JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= -1.96 \text{JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for February 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 colspan="2" style="text-align: center;">Energy Charge</td> </tr> <tr> <td style="text-align: right;">19.43 JPY/kWh</td> <td style="text-align: left;">× 120kWh</td> </tr> <tr> <td style="text-align: right;">25.91 JPY/kWh</td> <td style="text-align: left;">× 170kWh</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="text-align: right;">Fuel Cost Adjustment Unit Price</td> <td style="text-align: left;">Consumption</td> </tr> <tr> <td style="text-align: right;">-1.96 JPY/kWh</td> <td style="text-align: left;">× 290kWh</td> </tr> </table> | Energy Charge | | 19.43 JPY/kWh | × 120kWh | 25.91 JPY/kWh | × 170kWh | + | | Fuel Cost Adjustment | | Fuel Cost Adjustment Unit Price | Consumption | -1.96 JPY/kWh | × 290kWh | + | Renewable Energy Promotion Surcharge | - | Automated Bank Transfer Discount |
| Energy Charge | | | | | | | | | | | | | | | | | | | | |
| 19.43 JPY/kWh | × 120kWh | | | | | | | | | | | | | | | | | | | |
| 25.91 JPY/kWh | × 170kWh | | | | | | | | | | | | | | | | | | | |
| + | | | | | | | | | | | | | | | | | | | | |
| Fuel Cost Adjustment | | | | | | | | | | | | | | | | | | | | |
| Fuel Cost Adjustment Unit Price | Consumption | | | | | | | | | | | | | | | | | | | |
| -1.96 JPY/kWh | × 290kWh | | | | | | | | | | | | | | | | | | | |
| 842.40 JPY | | | | 458 JPY | | 54 JPY | | | | | | | | | | | | | | |
| = 7,414 JPY | | | | | | | | | | | | | | | | | | | | |

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