

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for March 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)	Sept. - Nov. 2015 (for Feb. 2016)	Oct. - Dec. 2015 (for March 2016)			
			Average	Oct. 2015	Nov. 2015	Dec. 2015
Crude Oil (JPY/kl)	57,802	37,151	35,244	36,161	36,213	33,570
LNG (JPY/ t)	67,548	58,610	56,185	58,947	56,679	53,706
Coal (JPY/ t)	11,452	8,974	8,866	8,846	8,928	8,823
Average Fuel Price(JPY/kl)	44,200	35,600				

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

(basic fuel price)

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

Crude Oil Price	35,244 JPY/kl	×	0.1970 (α)
LNG Price	56,185 JPY/ t	×	0.4435 (β)
Coal Price	8,866 JPY/ t	×	0.2512 (γ)

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Average Fuel Price 34,100 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: -1,500JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left( \frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left( \frac{34,100 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= \frac{-2.3028 \text{ JPY/kWh}}{1,000} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= \frac{-2.30 \text{ JPY/kWh}}{1,000}
 \end{aligned}$$

3. The calculation of the Electricity Rates for March 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;"><span style="border: 1px solid black; padding: 2px;">-2.30 JPY/kWh</span></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	<span style="border: 1px solid black; padding: 2px;">-2.30 JPY/kWh</span>	× 290kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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842.40 JPY				458 JPY		54 JPY														
= 7,315 JPY																				

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