

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for May 2016 (Kanto Area)

1. The calculation of the Average Fuel Price

Calculate the 3-month average fuel price for each fuel type (i.e. crude oil, LNG, and coal).

Multiply the average fuel prices in 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)	Nov. 2015 - Jan. 2016 (for Apr. 2016)	Dec. 2015 - Feb. 2016 (for May 2016)			
			Average	Dec. 2015	Jan. 2016	Feb. 2016
Crude Oil (JPY/kl)	57,802	32,480	27,994	33,582	27,779	22,428
LNG (JPY/ t)	67,548	52,827	50,040	53,706	48,288	47,765
Coal (JPY/ t)	11,452	8,748	8,527	8,821	8,490	8,240
Average Fuel Price(JPY/kl)	44,200	32,000				

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

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

Crude Oil Price	27,994 JPY/kl	×	0.1970 (α)
LNG Price	50,040 JPY/ t	×	0.4435 (β)
Coal Price	8,527 JPY/ t	×	0.2512 (γ)

+)

Average Fuel Price **29,800 JPY/kl** (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: -2,200JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(\frac{29,800 \text{ JPY / kl}}{1,000} - \frac{44,200 \text{ JPY / kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= -3.2832 \text{ JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= -3.28 \text{ JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for May 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;">-3.28 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	-3.28 JPY/kWh	× 290kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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Fuel Cost Adjustment Unit Price	Consumption																			
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842.40 JPY				652 JPY		54 JPY														
= 7,225 JPY																				

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