

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

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)	Jan. 2016 - Mar. 2016 (for Jun. 2016)	Feb. - Apr. 2016 (for July 2016)			
			Average	Feb. 2016	Mar. 2016	Apr. 2016
Crude Oil (JPY/kl)	57,802	24,242	23,549	22,479	22,892	25,866
LNG (JPY/ t)	67,548	46,038	42,479	47,765	42,462	36,344
Coal (JPY/ t)	11,452	8,135	7,888	8,241	7,657	7,747
Average Fuel Price(JPY/kl)	44,200	27,200				

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

(basic fuel price)

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

Crude Oil Price	23,549 JPY/kl	×	0.1970 (α)
LNG Price	42,479 JPY/ t	×	0.4435 (β)
Coal Price	7,888 JPY/ t	×	0.2512 (γ)

+)

(Maximum unit: 100 JPY) Rounded off to the nearest 10

Average Fuel Price **25,500 JPY/kl** (compared with the previous period: -1,700JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{25,500 \text{ JPY/kl}} - \frac{\text{Basic Fuel Price}}{44,200 \text{ JPY/kl}} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \frac{-4.2636 \text{ JPY/kWh}}{1,000} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= \boxed{-4.26 \text{ JPY/kWh}}
 \end{aligned}$$

3. The calculation of the Electricity Rates for July 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 260kWh of electricity consumption per month.
Automatic bank transfer discount included.

Demand Charge 842.40 JPY	+	<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;">19.52 JPY/kWh</td> <td style="text-align: left;">× 120kWh</td> </tr> <tr> <td style="text-align: right;">26.00 JPY/kWh</td> <td style="text-align: left;">× 140kWh</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;">-4.26 JPY/kWh</td> <td style="text-align: left;">× 260kWh</td> </tr> </table>	Energy Charge		19.52 JPY/kWh	× 120kWh	26.00 JPY/kWh	× 140kWh	+		Fuel Cost Adjustment		Fuel Cost Adjustment Unit Price	Consumption	-4.26 JPY/kWh	× 260kWh	+	Renewable Energy Promotion Surcharge 585 JPY	-	Automated Bank Transfer Discount 54 JPY
Energy Charge																				
19.52 JPY/kWh	× 120kWh																			
26.00 JPY/kWh	× 140kWh																			
+																				
Fuel Cost Adjustment																				
Fuel Cost Adjustment Unit Price	Consumption																			
-4.26 JPY/kWh	× 260kWh																			
						= 6,248 JPY														

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