

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for October 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)	Apr. 2016 - Jun. 2016 (for Sep. 2016)	May - Jul. 2016 (for October 2016)			
			Average	May 2016	Jun. 2016	Jul. 2016
Crude Oil (JPY/kl)	57,802	28,267	29,879	27,874	30,886	30,936
LNG (JPY/ t)	67,548	34,169	33,419	33,191	32,815	34,186
Coal (JPY/ t)	11,452	7,525	7,326	7,485	7,362	7,147
Average Fuel Price(JPY/kl)	44,200 (basic fuel price)	22,600		(detailed data)	(detailed data)	(preliminary data)

				< Conversion Factor > Crude Oil Conversion Factor × Caloric Component Ratio	
Crude Oil Price	29,879 JPY/kl	×	0.1970	(α)	
LNG Price	33,419 JPY/ t	×	0.4435	(β)	
Coal Price	7,326 JPY/ t	×	0.2512	(γ)	
+)					
Average Fuel Price			(Maximum unit: 100 JPY) Rounded off to the nearest 10 22,500 JPY/kl (compared with the previous period: -100JPY/kl)		

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

The fuel cost adjustment price is calculated by subtracting basic fuel price from average fuel price and then by multiplying with basic unit price.

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{<Average Fuel Price>}}{22,500 \text{JPY/kl}} - \frac{\text{<Basic Fuel Price>}}{44,200 \text{JPY/kl}} \right) \times \frac{\text{<Basic Unit Price>}}{1,000} \\
 &= \frac{-4.9476 \text{JPY/kWh}}{1,000} \\
 &\quad \downarrow \text{(rounded off to two decimal places)} \\
 &= \frac{-4.95 \text{JPY/kWh}}{1,000}
 \end{aligned}$$

3. The calculation of the Electricity Rates for October 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	+	<table border="0" style="width: 100%;"> <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;">-4.95 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	-4.95 JPY/kWh	× 260kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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Fuel Cost Adjustment Unit Price	Consumption																			
-4.95 JPY/kWh	× 260kWh																			
842.40 JPY				585 JPY		54 JPY														
= 6,068 JPY																				

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