

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for February 2017 (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)	Aug. 2016 - Oct. 2016 (for Jan. 2017)	Sep. - Nov. 2016 (for February 2017)			
			Average	Sep. 2016	Oct. 2016	Nov. 2016
Crude Oil (JPY/kl)	57,802	29,275	30,282	29,170	29,181	32,412
LNG (JPY/ t)	67,548	36,896	38,677	37,340	38,599	39,926
Coal (JPY/ t)	11,452	7,385	7,988	7,380	7,671	8,901
Average Fuel Price(JPY/kl)	44,200	24,000				

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

(basic fuel price)

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

Crude Oil Price	30,282 JPY/kl	×	0.1970 (α)
LNG Price	38,677 JPY/ t	×	0.4435 (β)
Coal Price	7,988 JPY/ t	×	0.2512 (γ)

+)

Average Fuel Price 25,100 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: +1100JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\text{Average Fuel Price} - \text{Basic Fuel Price} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(25,100 \text{JPY/kl} - 44,200 \text{JPY/kl} \right) \times \frac{0.228 \text{JPY/kWh}}{1,000} \\
 &= -4.3548 \text{JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= -4.35 \text{JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for February 2017 (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 style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Energy Charge</td> </tr> <tr> <td style="padding: 2px;">19.52 JPY/kWh</td> <td style="padding: 2px;">× 120kWh</td> </tr> <tr> <td style="padding: 2px;">26.00 JPY/kWh</td> <td style="padding: 2px;">× 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="border: 1px dashed black; padding: 2px;">Fuel Cost Adjustment Unit Price</td> <td style="border: 1px dashed black; padding: 2px;">Consumption</td> </tr> <tr> <td style="border: 1px dashed black; padding: 2px;">-4.35 JPY/kWh</td> <td style="border: 1px dashed black; padding: 2px;">× 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	-4.35 JPY/kWh	× 260kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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842.40 JPY				585 JPY		54 JPY														
= 6,224 JPY																				

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