

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for March 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)	Sep. 2016 - Nov. 2016 (for Feb. 2017)	Oct. - Dec. 2016 (for March 2017)			
			Average	Oct. 2016	Nov. 2016	Dec. 2016
Crude Oil (JPY/kl)	57,802	30,282	31,767	29,181	32,415	33,184
LNG (JPY/ t)	67,548	38,677	40,564	38,599	39,926	42,836
Coal (JPY/ t)	11,452	7,988	8,917	7,671	8,906	10,247
Average Fuel Price(JPY/kl)	44,200	25,100				

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

(basic fuel price)

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

Crude Oil Price	31,767 JPY/kl	×	0.1970 (α)
LNG Price	40,564 JPY/ t	×	0.4435 (β)
Coal Price	8,917 JPY/ t	×	0.2512 (γ)

+)

(Maximum unit: 100 JPY) Rounded off to the nearest 10
(compared with the previous period: +1400JPY/kl)

Average Fuel Price **26,500 JPY/kl**

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(\frac{26,500 \text{JPY/kl}}{1,000} - \frac{44,200 \text{JPY/kl}}{1,000} \right) \times \frac{0.228 \text{JPY/kWh}}{1,000} \\
 &= -4.0356 \text{JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= -4.04 \text{JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for March 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="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;">-4.04 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	-4.04 JPY/kWh	× 260kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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842.40 JPY				585 JPY		54 JPY														
=																				
6,305 JPY																				

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