

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for September 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)	Mar. 2017 - May. 2017 (for August 2017)	Apr. 2017- Jun. 2017 (for September 2017)			
			Average	Apr. 2017	May. 2017	Jun. 2017
Crude Oil (JPY/kl)	57,802	38,598	37,317	37,617	37,842	36,412
LNG (JPY/ t)	67,548	47,038	48,114	46,908	49,613	47,884
Coal (JPY/ t)	11,452	10,936	11,078	10,404	11,378	11,395
Average Fuel Price(JPY/kl)	44,200	31,200				

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

(basic fuel price)

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

Crude Oil Price	37,317 JPY/kl	×	0.1970 (α)
LNG Price	48,114 JPY/ t	×	0.4435 (β)
Coal Price	11,078 JPY/ t	×	0.2512 (γ)
+ )			
<b>Average Fuel Price</b>			
		↓	(Maximum unit: 100 JPY) Rounded off to the nearest 10
		31,500 JPY/kl	(compared with the previous period: +300JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left( \text{Average Fuel Price} - \text{Basic Fuel Price} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left( 31,500 \text{JPY/kl} - 44,200 \text{JPY/kl} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= -289.56 \text{JPY/kWh} \\
 &\quad \downarrow \text{(rounded off to two decimal places)} \\
 &= -2.90 \text{JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for August 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	+	Energy Charge 19.52 JPY/kWh × 120kWh 26.00 JPY/kWh × 140kWh + Fuel Cost Adjustment Fuel Cost Adjustment Unit Price × Consumption -2.90 JPY/kWh × 260kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount		
842.40 JPY				686 JPY		54 JPY		
							=	6,687 JPY

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