

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for July 2018 (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. 2018-Mar. 2018 (for June 2018)	Feb. 2018- Apr. 2018 (for July 2018)			
			Average	Feb. 2018	Mar. 2018	Apr. 2018
Crude Oil (JPY/kl)	57,802	45,737	45,254	46,945	44,764	44,199
LNG (JPY/ t)	67,548	51,334	52,062	51,544	52,108	52,761
Coal (JPY/ t)	11,452	11,935	12,034	12,151	11,821	12,148
Average Fuel Price(JPY/kl)	44,200	34,800				

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

(basic fuel price)

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

Crude Oil Price	45,254 JPY/kl	×	0.1970 (α)
LNG Price	52,062 JPY/ t	×	0.4435 (β)
Coal Price	12,034 JPY/ t	×	0.2512 (γ)

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Average Fuel Price 35,000 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: +200JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left( \frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left( \frac{35,000 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= -209.76 \text{ JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= -2.10 \text{ JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for July 2018 (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> <th colspan="2" style="text-align: center;">Energy Charge</th> </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;">-2.10 JPY/kWh</td> <td style="border: 1px dashed black; padding: 2px;">× 260 kWh</td> </tr> </table>	Energy Charge		19.52 JPY/kWh	× 120kWh	26.00 JPY/kWh	× 140kWh	+		Fuel Cost Adjustment		Fuel Cost Adjustment Unit Price	Consumption	-2.10 JPY/kWh	× 260 kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
Energy Charge																				
19.52 JPY/kWh	× 120kWh																			
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842.40 JPY				754 JPY		54 JPY														
= 6,978 JPY																				

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