

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for December 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)	Jun. 2018 - Aug. 2018 (for Nov. 2018)	Jul. 2018- Nov. 2018 (for December 2018)			
			Average	Jul. 2018	Aug. 2018	Sep. 2018
Crude Oil (JPY/kl)	57,802	53,435	53,505	53,418	53,890	53,125
LNG (JPY/ t)	67,548	57,172	58,849	56,573	58,687	61,515
Coal (JPY/ t)	11,452	13,133	13,457	13,072	13,527	13,784
Average Fuel Price(JPY/kl)	44,200	39,200				

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

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

Crude Oil Price	53,505 JPY/kl	×	0.1970 (α)
LNG Price	58,849 JPY/ t	×	0.4435 (β)
Coal Price	13,457 JPY/ t	×	0.2512 (γ)

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Average Fuel Price 40,000 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10
(compared with the previous period: +800JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(\frac{40,000 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= \frac{-95.76 \text{ JPY/kWh}}{1,000} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= \frac{-0.96 \text{ JPY/kWh}}{1,000}
 \end{aligned}$$

3. The calculation of the Electricity Rates for December 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	+	Energy Charge 19.52 JPY/kWh × 120kWh 26.00 JPY/kWh × 140kWh + Fuel Cost Adjustment Fuel Cost Adjustment Unit Price × Consumption -0.96 JPY/kWh × 260kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount	
842.40 JPY				754 JPY		54 JPY	=
							7,275 JPY

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