

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for January 2019 (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)	Jul. 2018 - Sep. 2018 (for Dec. 2018)	Aug. 2018- Oct. 2018 (for January 2019)			
			Average	Aug. 2018	Sep. 2018	Oct. 2018
Crude Oil (JPY/kl)	57,802	53,505	54,386	53,890	53,151	56,222
LNG (JPY/ t)	67,548	58,849	61,243	58,687	61,515	63,941
Coal (JPY/ t)	11,452	13,457	13,826	13,527	13,849	14,169
Average Fuel Price(JPY/kl)	44,200	40,000				

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

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

Crude Oil Price	54,386 JPY/kl	×	0.1970 (α)
LNG Price	61,243 JPY/ t	×	0.4435 (β)
Coal Price	13,826 JPY/ t	×	0.2512 (γ)

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Average Fuel Price 41,300 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10  
(compared with the previous period: +1,300JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left( \frac{\text{<Average Fuel Price>}}{1,000} - \frac{\text{<Basic Fuel Price>}}{1,000} \right) \times \frac{\text{<Basic Unit Price>}}{1,000} \\
 &= \left( \frac{41,300 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= -66.12 \text{ JPY/kWh} \\
 &\quad \downarrow \text{(rounded off to two decimal places)} \\
 &= \boxed{-0.66 \text{ JPY/kWh}}
 \end{aligned}$$

3. The calculation of the Electricity Rates for January 2019 (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 <span style="border: 1px solid black; padding: 2px;">-0.66 JPY/kWh</span> × 260kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount	
842.40 JPY				754 JPY		54 JPY	=
							7,353 JPY

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