

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for July 2015

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 - Mar 2015 (for June 2015) | February - April 2015 (for July 2015) | | | |
|----------------------------|--|-----------------------------------|---|----------|----------|---------------|
| | | | Average | Feb 2015 | Mar 2015 | Apr 2015 |
| Crude Oil (JPY/kl) | 57,802 | 42,061 | 40,252 | 36,778 | 41,288 | 42,299 |
| LNG (JPY/ t) | 67,548 | 83,915 | 74,504 | 81,980 | 76,307 | 63,522 |
| Coal (JPY/ t) | 11,452 | 10,178 | 10,089 | 9,796 | 10,234 | 10,228 |
| Average Fuel Price(JPY/kl) | 44,200 | 48,100 | | (fixed) | (fixed) | (preliminary) |
| (basic fuel price) | | | < Conversion Factor > Crude Oil Conversion Factor × Caloric Component Ratio | | | |
| Crude Oil Price | | 40,252 JPY/kl | × | 0.1970 | (α) | |
| LNG Price | | 74,504 JPY/ t | × | 0.4435 | (β) | |
| Coal Price | | 10,089 JPY/ t | × | 0.2512 | (γ) | |
| +) | | | (Maximum unit: 100 JPY) Rounded off to the nearest 10 | | | |
| Average Fuel Price | | | 43,500 JPY/kl (compared with the previous period: -4,600JPY/kl) | | | |

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{43,500 \text{ JPY/kl}} - \frac{\text{Basic Fuel Price}}{44,200 \text{ JPY/kl}} \right) \times \frac{\text{Basic Unit Price}}{0.228 \text{ JPY/kWh}} \\
 &= \frac{-0.1596 \text{ JPY/kWh}}{1,000} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= \boxed{-0.16 \text{ JPY/kWh}}
 \end{aligned}$$

3. The calculation of the Electricity Rates for July 2015 (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 290kWh of electricity consumption per month.

Automatic bank transfer discount included.

| | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|------------------------|---|--------|------------------------|------------------------|---|--|--|----------------------|--|--|---------------------------------|-------------|--|---------------|----------|--|---|---|---|--|---|-----------|
| Demand Charge 842.40 JPY | + | <table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Energy</td> <td style="text-align: left;">19.43 JPY/kWh × 120kWh</td> <td style="text-align: right;">25.91 JPY/kWh × 170kWh</td> </tr> <tr> <td style="text-align: center;">+</td> <td colspan="2"></td> </tr> <tr> <td style="text-align: center;">Fuel Cost Adjustment</td> <td colspan="2"></td> </tr> <tr> <td style="text-align: right;">Fuel Cost Adjustment Unit Price</td> <td style="text-align: right;">Consumption</td> <td></td> </tr> <tr> <td style="text-align: right;">-0.16 JPY/kWh</td> <td style="text-align: right;">× 290kWh</td> <td></td> </tr> </table> | Energy | 19.43 JPY/kWh × 120kWh | 25.91 JPY/kWh × 170kWh | + | | | Fuel Cost Adjustment | | | Fuel Cost Adjustment Unit Price | Consumption | | -0.16 JPY/kWh | × 290kWh | | + | Renewable Energy Promotion Surcharge 458 JPY | - | Automated Bank Transfer Discount 54 JPY | = | 7,936 JPY |
| Energy | 19.43 JPY/kWh × 120kWh | 25.91 JPY/kWh × 170kWh | | | | | | | | | | | | | | | | | | | | | |
| + | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel Cost Adjustment | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel Cost Adjustment Unit Price | Consumption | | | | | | | | | | | | | | | | | | | | | | |
| -0.16 JPY/kWh | × 290kWh | | | | | | | | | | | | | | | | | | | | | | |

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