

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for January 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)	Jul- Sep 2014 (for December 2014)	August - October 2014 (for January 2015)			
			Average	Aug 2014	Sep 2014	Oct 2014
Crude Oil (JPY/kl)	57,802	70,841	69,902	71,047	70,053	68,578
LNG (JPY/ t)	67,548	84,699	86,025	84,284	84,637	89,246
Coal (JPY/ t)	11,452	9,779	9,873	9,733	9,799	10,107
Average Fuel Price(JPY/kl)	44,200	54,000		(fixed)	(fixed)	(preliminary)

(basic fuel price)

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

Crude Oil Price	69,902 JPY/kl	×	0.1970 (α)
LNG Price	86,025 JPY/ t	×	0.4435 (β)
Coal Price	9,873 JPY/ t	×	0.2512 (γ)

+)

		(Maximum unit: 100 JPY) Rounded off to the nearest 10	
Average Fuel Price	54,400 JPY/kl	(compared with the previous period: + 400 Y/kl)	

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left(\frac{54,400 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= 2.3256 \text{ JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= 2.33 \text{ JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for January 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	+	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">19.43 JPY/kWh</td> <td style="width: 5%; text-align: center;">×</td> <td style="width: 45%;">120kWh</td> </tr> <tr> <td>25.91 JPY/kWh</td> <td>×</td> <td>170kWh</td> </tr> <tr> <td colspan="3" style="text-align: center;">+</td> </tr> <tr> <td colspan="3" 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="text-align: center;">×</td> <td style="border: 1px dashed black; padding: 2px;">Consumption</td> </tr> <tr> <td style="border: 1px dashed black; padding: 2px;">2.33 JPY/kWh</td> <td>×</td> <td style="border: 1px dashed black; padding: 2px;">290kWh</td> </tr> </table>	19.43 JPY/kWh	×	120kWh	25.91 JPY/kWh	×	170kWh	+			Fuel Cost Adjustment			Fuel Cost Adjustment Unit Price	×	Consumption	2.33 JPY/kWh	×	290kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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842.40 JPY				217 JPY		54 JPY																		
= 8,417 JPY																								

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