## 25 April 2002 Fluctuation in Feedstock Prices and Adjustment of Gas Rates Public Relations Department, Tokyo Gas Co., Ltd.

In accordance with the provisions for rate adjustment for feedstock costs, Tokyo Gas has set the unit commodity charge for meter readings over the months July – September 2002 as same as the corresponding charge for meter readings for June 2002. This adjustment is based on the average feedstock prices over the months January - March 2002.

Customers will be notified in advance of the gas rates applied to meter readings over the months July - September 2002 by means of notices posted in Tokyo Gas business offices and their meter reading slips for June.

- 1. Gas rates for the months July September 2002
- (1) Supply contract rate schedule

(Application of rate schedule A ~ F as appropriate for the amount of gas use in the month in question)

	Rate A	Rate B	Rate C	Rate D	Rate E	Rate F
Monthly consumption volume	0 to 20m3	21 to 80m3	81 to 200m3	201 to 500m3	501 to 800m3	Over 801m3
Basic charge (yen/month)	690	1,040	1,460	2,000	5,050	9,610
Commodity charge(yen/m3)	127.25	109.75	104.50	101.80	95.70	90.00

Yen/month

(2) Effect on a standard household

Monthly consumption volume of 50 cubic meters	Charge imposed over the months July – September 2002	Charge imposed for April – June 2002	Change
Excluding the national consumption tax	6,527	6,527	0
Including the national consumption tax	6,853	6,853	0

## 2. Fluctuation in feedstock prices

		Yen/ton
Standard average f	eedstock price (1)	27,160
Average feedstock pr October – Decer		28,040
	LNG	28,040
	LPG	32,580
Difference	e (2) - (1)	880

Note: Both LNG and LPG prices are based on customs clearance statistics.

Reference: Outline of the feedstock cost adjustment scheme

- \* The scheme provides for adjustment of the unit commodity charge in gas rates (i.e., the charge per cubic meter of gas consumed) at three-month intervals in correspondence with fluctuation in feedstock prices owing to factors such as exchange rates and crude oil prices.
- \* The unit commodity charge is adjusted by 0.084 yen per cubic meter for each 100 yen of fluctuation in feedstock price, based on the difference between the standard average feedstock price (27,160 yen per ton) and average feedstock price (calculated on the basis of LNG and LPG import prices in the quarter in question).
- \* The fluctuation in feedstock prices is calculated on the basis of actual values in customs clearance statistics for both LNG and LPG.
- \* Arrangements have been made to avoid both small and frequent rate adjustments as well as large fluctuations. The specific provisions are as follows.
  - There is no adjustment of gas rates if the difference between the standard average feedstock price (27,160 yen/ton) and average feedstock price is less than 1,360 yen.
  - Even if the average feedstock price exceeds the upper limit of 43,460 yen, the amount of 43,460 yen is applied in the calculation of the gas rate adjustment.

Reference document

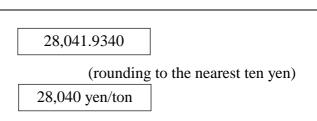
Calculation of unit charge adjustment for feedstock costs\* Calculation of average feedstock pricesAverage LNG price28,040 yen/tonx 0.9314(customs clearance statistics value)

32,580 yen/ton

(customs clearance statistics var

Average LPG price (customs clearance statistics value)

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800 yen/ton

x 0.0591

\* Calculation of the amount of feedstock price fluctuation

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28,040 yen/ton	- 27,160 yen/ton =	880 yen/ton	
	(omission o	of amounts less than	100 yen

There is no adjustment of gas rates if the difference between the standard average feedstock price (27,160 yen/ton) and average feedstock price is less than 1,360 yen.

* Effect on the standar	Yen/month		
Monthly consumption	Charge applied over	Charge applied over	
volume of 50 cubic	the months July-	the months April –	Change
meters	September 2002	June 2002	
Excluding the			
national consumption	6,527	6,527	0
tax			
Including the national	6 952	6 952	0
consumption tax	6,853	6,853	0

\* Omission of amounts less than one yen in the calculation of the charge inclusive of the national consumption tax

- \* Method of calculation for the standard household charge (excluding the national consumption tax)
  - = Standing charge (1,040 yen)
  - + Commodity charge (109.75 yen +

0.00 yen ) x  $50m^3$ 

Commodity charge at the time of notification of the rate revision