

30 July, 2007

Fluctuation in gas resource cost and adjustment of gas rates

Tokyo Gas Co., Ltd.

In accordance with the provisions for rate adjustment for gas resource costs, Tokyo Gas has set the unit commodity charge for meter readings over the months October-December 2007 upward by 1.10 yen per cubic meter (45MJ) relative to the corresponding charge for meter readings for July-September 2007.

This adjustment is based on the average gas resource prices over the months of April-June 2007.

Customers will be notified of the gas rates applied to meter readings over the months during October and December 2007 by means of notices posted in Tokyo Gas business offices and their meter reading slips for September in advance.

1. Gas rates for the months during October and December 2007

(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 20m ³	21 to 81 ³	82 to 204 ³	205to 512	513 to 818	over 819
Basic charge (yen/month)	724.50	1,083.60	1,365.00	2,499.00	5,806.50	13,786.50
Commodity charge(yen/m3)	139.74	122.19	118.76	113.22	106.76	97.00
<Reference> Commodity charge(yen/m3) July to September 2006	(138.64)	(121.09)	(117.66)	(112.12)	(105.66)	(95.90)

(2) Effect on a standard customer in residential sector yen/month

Monthly consumption volume of 34 cubic meters(45MJ/m3)	Charge applied over the months October-December 2007	Charge applied for July-September 2007	Change
Including the national consumption tax	5,238	5,200	+38

2. Fluctuation in gas resource prices

	yen/ton
Standard average gas resource price (1)	35,910
Average gas resource price over the months April– June 2007 (2)	44,840
LNG	44,540
LPG	69,160
Difference (2) - (1)	8,930

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

Reference: Outline of the gas resource 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 gas resource prices owing to factors such as exchange rates and crude oil prices.
- * The unit commodity charge is adjusted by 0.08505 yen per cubic meter for each 100 yen of fluctuation in gas resource price, based on the difference between the standard average gas resource price (35,910 yen per ton) and average gas resource price (calculated on the basis of LNG and LPG import prices in the quarter in question).
- * The fluctuation in gas resource 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 gas resource prices (35,910 yen/ton) and average gas resource price is less than 1,800 yen.
 - Even if the average gas resource price exceeds the upper limit of 57,460 yen, the amount of 57,460 yen is applied in the calculation of the gas rate adjustment.
- * The scheme is not applied to Gunma district and Kofu district.

[Reference]

Calculation of unit charge adjustment for gas resource costs

* Calculation of average gas resource prices

Average LNG price (customs clearance statistics value)	44,540 yen/ton	x 0.9820	
Average LPG price (customs clearance statistics value)	69,160 /ton	x 0.0160	
+)			
	44,844.84		
	↓ (rounding to the nearest ten yen)		
	44,840 yen/ton		

* Calculation of the amount of gas resource price fluctuation

44,840 yen/ton	- 35,910 yen/ton =	8,930 yen/ton
	(omission of amounts less than 100 yen)	
		↓
		8,900yen/ton

* Calculation of the adjusted rate (charge per cubic meter)

Adjusted rate =	+8,900yen	/ 100 yen x 0.08505 (*)	
(unit charge)			
	= +7.56yen	(omission of amounts less than 0.01 yen)	

* The unit commodity charge is adjusted by 0.8505(0.081×1.05) yen per cubic meter for every 100 yen of fluctuation

* Effect on a standard customer in residential sector

			yen/month
Monthly consumption volume of 34 cubic meters(45MJ/m3)	Charge applied over the months October-December 2007	Charge applied over the months July-September 2007	Change
Including the national consumption tax	5,238	5,200	38

* 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 gas rate in residential sector (excluding the national consumption tax)

= Standing charge (1,083.60 yen)

+ Commodity charge (114.63 yen + 7.56yen) x 34m³

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Commodity charge at the time of notification of the rate revision