

Revision of gas tariffs, etc. (Tokyo district, etc.)

March 27, 2008
Tokyo Gas Co., Ltd.

Today, we at Tokyo Gas Co., Ltd. notified the Minister of Economy, Trade and Industry of changes in our service agreements, etc., effective April 15, 2008. The main change is a reduction averaging 1.51 percent (relative to the existing levels) in our tariffs for the entire small-volume segment encompassing both service and optional agreements in the Tokyo and other districts.

These reductions are implemented to pass on to customers the benefits of cutting fixed costs through business efficiencies as declared in the FY2006 - 2010 Medium-Term Management Plan. Due to substantial rises in energy costs at the international level, gas tariffs have been revised successively upwards under the provisions for adjustments for gas resource costs. The reductions announced today aim to support customers by mitigating those increases to some extent.

Tariffs under the service agreements are cut by an average of 1.40 percent, and tariffs under the optional agreements are cut by an average of 1.81 percent. In addition, as a contribution to action on global warming, tariffs for environment-friendly high-efficiency gas cogeneration systems have been set at more attractive levels. The transmission service agreement has also been revised, cutting transmission service tariffs by an average of 4.95 percent.

High gas resource prices and fierce competition in the energy markets have produced a harsh business climate for Tokyo Gas, but in addition to ongoing pursuit of efficiency, we are working to further enhance services to customers, to ensure safe and reliable gas supplies, and to contribute to resolving global environment issues, in order to come up to the expectations of, and the trust placed in us by, our customers, shareholders, and the regional community.

Revision of gas tariffs, etc.

(Tokyo district, etc.)

March 2008

Tokyo Gas Co., Ltd.

1. Outline of tariff revisions

Tokyo Gas Co., Ltd. (hereinafter referred to as the "Company") shall make an average reduction of 1.51 percent relative to the existing levels in its tariffs (in both service and optional agreements) in the small-volume segment in the Tokyo and other districts. The reduction incorporates the benefits of cutting fixed costs through business efficiencies achieved through progress in implementing the FY2006 - 2010 Medium-Term Management Plan.

2. The service agreement

The Company shall reduce the existing service agreement tariffs by an average of 1.40 percent.

(1) Average unit tariff in the notification (45MJ/m³) (tax exclusive)

	New tariffs (tax exclusive)	Existing tariffs (tax exclusive)	Rate of revision
Service agreement average (yen/m ³)	¥144.66	¥146.72	▲1.40%

(2) Amount of revision for standard customer in residential sector

Monthly volume of use	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
34 m ³	¥5,398	¥5,475	▲¥77	▲1.41%

* The gas tariff for a standard customer in the residential sector is calculated based on the average monthly usage per home (5-year average: FY2001-FY2005).

Example: Tariff for a household with monthly usage of 50 m³.

Monthly volume of use	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
50 m ³	¥7,430	¥7,542	▲¥112	▲1.49%

3. The optional agreement

The Company shall reduce the existing optional agreement tariffs by an average of 1.81 percent.

As an additional contribution to action on global warming, tariffs for environment-friendly high-efficiency gas cogeneration systems have been set at more attractive levels.

The main optional tariff revisions are detailed below.

(1) Tariff for residential customers

Tariffs for residential customers using systems such as gas-fueled hot-water floor heating system or ECOWILL gas engine cogeneration systems

1) Danran-plan (residential gas-fueled hot-water floor heating system contract)

Annual gas usage (Model demand)	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
930 m ³	¥123,853	¥126,191	▲¥2,338	▲1.85%

2) Hatsuden Eco Plan (Power Generation Eco Plan: Residential cogeneration system contract)

Annual gas usage (Model demand)	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
1,371 m ³	¥159,481	¥164,747	▲¥5,266	▲3.20%

In addition to these tariffs, existing tariffs that continue to be available include: YU-ttari Eco Plan (Water Heating Eco Plan) for customers using Eco-JOES (water heaters recovering latent heat), and a tariff for residential customers using residential fuel cells (Residential fuel cell contract). The period of acceptance for the Residential fuel cell contract is to be extended by 1 year from April 2008.

(2) Tariff for commercial and industrial customers

The main tariffs for customers in the commercial and industrial sectors are given below.

1) Package discount for cogeneration systems

Discount tariff in an additional contract for customers using gas cogeneration systems with annual gas consumption of at least 30,000 m³

Annual gas usage (Model demand)	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
96,000m ³	¥6,451,020	¥6,667,980	▲¥216,960	▲3.25%

* Type 3 for Industrial A contract customers

* Figures for tariff and amount of revision are totals including the main contract (Industrial A contract)

2) Small-scale cogeneration system package contract

Tariffs for customers using small-scale cogeneration systems

Annual gas usage (Model demand)	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
60,000 m ³	¥4,074,864	¥4,213,464	▲¥138,600	▲3.29%

3) Commercial all-gas discount

Discount tariff in an additional contract for customers using gas for all three requirements -- water heating, cooking, and air conditioning

Annual gas usage (Model demand)	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
36,000 m ³	¥2,633,604	¥2,720,364	▲¥86,760	▲3.19%

* Figures for tariff and amount of revision are totals including the main contract (Industrial A contract)

4) Air conditioner A contract

Tariff for customers using air conditioning equipment for long periods all year round

Annual gas usage (Model demand)	New tariffs (tax included)	Existing tariffs (tax included)	Amount of revision	Rate of revision
48,000 m ³	¥3,570,852	¥3,684,892	▲¥114,040	▲3.10%

* Where Tariff Schedule B is applied

In addition to these tariffs, optional agreement tariffs for commercial and industrial customers continue to be available.

4. Transmission service agreement tariffs

The Company shall make the following reductions in transmission service agreement tariffs.
(in the Tokyo and other districts with supply of 45 MJ/ m³ gas).

● Average unit price

	New tariffs (tax exclusive)	Existing tariffs (tax exclusive)	Rate of revision
Average for transmission service agreement (yen/m ³)	¥5.57	¥5.86	▲4.95%

(Document 1) Service agreement tariff schedule

◎Service agreement tariff (tax included)

		Monthly volume of use	Basic tariff (Yen/month)	Unit tariffs (Yen/m ³)
Tariff schedule A	New tariffs	0m ³ ~20m ³	724.50	144.83
	Existing tariffs	0m ³ ~20m ³	724.50	146.72
Tariff schedule B	New tariffs	over 20m ³ , up to 80m ³	1,081.50	126.98
	Existing tariffs	over 20m ³ , up to 81m ³	1,083.60	129.17
Tariff schedule C	New tariffs	over 80m ³ , up to 200m ³	1,333.50	123.83
	Existing tariffs	over 81m ³ , up to 204m ³	1,365.00	125.74
Tariff schedule D	New tariffs	over 200m ³ , up to 500m ³	2,467.50	118.16
	Existing tariffs	over 204m ³ , up to 512m ³	2,499.00	120.20
Tariff schedule E	New tariffs	over 500m ³ , up to 800m ³	5,722.50	111.65
	Existing tariffs	over 512m ³ , up to 818m ³	5,806.50	113.74
Tariff schedule F	New tariffs	over 800m ³	13,618.50	101.78
	Existing tariffs	over 818m ³	13,786.50	103.98

Note: – Tariffs A - F are applied in accordance with the monthly volume of use.

– Usage volumes for applying schedules A -- F have been revised.

– The unit tariffs are adjusted on a quarterly basis under the provisions for adjustment for gas resource costs.

◎The standard average gas resource price

Standard average gas resource price	¥ 53,810/t
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Note: The standard average gas resource price is calculated on the basis of the gas resource prices appearing in trade statistics in October to December 2007.

(Document 2) Optional agreement tariff schedule

◎ Optional agreement tariffs (tax inclusive, 45MJ/m³)

				New tariff	Existing tariff	Amount of revision		
Residential-use high-efficiency heater contract	Discount rate (relative to the general tariff)			▲ 3%	▲ 3%	--		
	Discount ceiling			Yen/month	2,000.00	2,000.00	--	
Residential gas-fueled hot-water underfloor heater contract	Winter Season (December - April)	Schedule A: New tariffs: Over 0 m ³ , up to 20 m ³ Existing tariffs: Over 0 m ³ , up to 20 m ³	Fixed tariff	Yen/contract/month	724.50	724.50	--	
			Unit tariff	Yen/m ³	144.83	146.72	▲ 1.89	
		Schedule B: New tariffs : over 20m ³ , up to 80m ³ Existing tariffs: Over 20 m ³ , up to 71 m ³	Fixed tariff	Yen/contract/month	1,270.50	1,241.10	29.40	
			Unit tariff	Yen/m ³	117.53	121.49	▲ 3.96	
		Schedule C: New tariffs : over 80m ³ Existing tariffs: Over 71 m ³	Fixed tariff	Yen/contract/month	2,026.50	2,012.85	13.65	
			Unit tariff	Yen/m ³	108.08	110.73	▲ 2.65	
	Other seasons (May - November)				Same as the general tariff	Same as the general tariff	--	
	Discounts for bathroom heaters and eco devices (relative to the Danran-plan)				▲ 3%	▲ 3%	--	
	Discount ceiling				Yen/month	2,000.00	2,000.00	--
	Set discount (relative to the Danran-plan)				▲ 6%	▲ 6%	--	
Discount ceiling				Yen/month	4,000.00	4,000.00	--	
Residential fuel cell contract	Discount rate (relative to the general tariff)			▲ 3%	▲ 3%	--		
	Ceiling on the billed amount			Yen/month	9,500.00	9,500.00	--	
Residential cogeneration system contract	Winter Season (December - April)	Schedule A: New tariffs: Over 0 m ³ , up to 20 m ³ Existing tariffs: Over 0 m ³ , up to 20 m ³	Fixed tariff	Yen/contract/month	724.50	724.50	--	
			Unit tariff	Yen/m ³	144.83	146.72	▲ 1.89	
		Schedule B: New tariffs : over 20m ³ , up to 80m ³ Existing tariffs: Over 20 m ³ , up to 71 m ³	Fixed tariff	Yen/contract/month	1,270.50	1,241.10	29.40	
			Unit tariff	Yen/m ³	117.53	121.49	▲ 3.96	
		Schedule C: New tariffs : over 80m ³ Existing tariffs: Over 71 m ³	Fixed tariff	Yen/contract/month	2,177.70	2,323.02	▲ 145.32	
			Unit tariff	Yen/m ³	106.19	106.39	▲ 0.20	
	Other seasons (May - November)				Same as the general tariff	Same as the general tariff	--	
	Discount rate (from tariff schedule)				▲ 8%	▲ 6%	▲ 2point	
Discount ceiling				4,000.00	4,000.00	--		
Small air conditioner exclusive contract	A schedule	Fixed tariff		Yen/contract/month	735.00	735.00	--	
		Unit tariff	Other seasons	Yen/m ³	98.59	100.48	▲ 1.89	
			Winter	Yen/m ³	113.83	115.71	▲ 1.88	
	B schedule	Fixed tariff		Yen/contract/month	1,239.00	1,260.00	▲ 21.00	
		Unit tariff	Other seasons	Yen/m ³	90.19	92.27	▲ 2.08	
			Winter	Yen/m ³	105.43	107.50	▲ 2.07	
	C schedule	Fixed tariff		Yen/contract/month	2,520.00	2,570.40	▲ 50.40	
		Unit tariff	Other seasons	Yen/m ³	77.38	79.46	▲ 2.08	
Winter			Yen/m ³	92.62	94.70	▲ 2.08		
Small air conditioner package contract	Fixed tariff		Yen/contract/month	3,150.00	3,150.00	--		
	Unit tariff	Summer	Yen/m ³	97.32	97.42	▲ 0.10		
		Other seasons	Yen/m ³	124.61	124.71	▲ 0.10		

Air conditioner summer contract	A schedule	Fixed tariff	Standing	Yen/contract/month	1,680.00	1,890.00	▲210.00
			Flow-rate	Yen/m ³ /months	995.34	995.34	--
		Unit tariff			Yen/m ³	68.41	70.30
	B schedule	Fixed tariff	Standing	Yen/contract/month	10,500.00	11,550.00	▲1,050.00
			Flow-rate	Yen/m ³ /months	995.34	995.34	--
		Unit tariff			Yen/m ³	59.59	61.56
	C schedule	Fixed tariff	Standing	Yen/contract/month	46,200.00	47,250.00	▲1,050.00
			Flow-rate	Yen/m ³ /months	995.34	995.34	--
		Unit tariff			Yen/m ³	52.45	53.72
Steam boiler package contract	Fixed tariff	Standing	Yen/contract/month	2,520.00	2,520.00	--	
		Flow-rate	Yen/m ³ /months	923.51	923.51	--	
	Unit tariff	Other seasons	Yen/m ³	69.05	71.15	▲2.10	
		Winter	Yen/m ³	79.31	81.41	▲2.10	
Industrial seasonal contract	Fixed tariff	Standing	Yen/contract/month	18,585.00	18,585.00	--	
		Flow-rate	Yen/m ³ /months	420.71	420.71	--	
	Commodity unit price 1	Other seasons	Yen/m ³	65.94	68.03	▲2.09	
		Winter	Yen/m ³	76.19	78.29	▲2.10	
	Commodity unit price 2	Other seasons	Yen/m ³	72.05	74.18	▲2.13	
		Winter	Yen/m ³	82.30	84.44	▲2.14	
	Commodity unit price 3	Other seasons	Yen/m ³	74.57	76.75	▲2.18	
		Winter	Yen/m ³	84.82	87.01	▲2.19	
Commodity unit price 4	Other seasons	Yen/m ³	77.09	79.31	▲2.22		
	Winter	Yen/m ³	87.34	89.57	▲2.23		
Time-of-day A contract	Fixed tariff	Standing	Yen/contract/month	1,260.00	1,260.00	--	
		Flow-rate	Yen/m ³ /months	923.51	923.51	--	
	Unit tariff			Yen/m ³	81.97	82.07	▲0.10
Industrial A contract	Fixed tariff	Standing	Yen/contract/month	13,860.00	18,900.00	▲5,040.00	
		Flow-rate	Yen/m ³ /months	420.71	420.71	--	
		Peak demand month	Yen/m ³ /months	5.78	5.78	--	
	Unit tariff			Yen/m ³	63.00	63.20	▲0.20
Industrial B contract	Fixed tariff	Standing	Yen/contract/month	113,715.00	113,715.00	--	
		Flow-rate	Yen/m ³ /months	420.71	420.71	--	
		Peak demand month	Yen/m ³ /months	5.78	5.78	--	
	Unit tariff			Yen/m ³	58.73	58.83	▲0.10

Air conditioner A contract	A schedule	Fixed tariff	Standing	Other seasons	Yen/contract/month	1,680.00	1,890.00	▲210.00
				Winter	Yen/contract/month	1,890.00	2,100.00	▲210.00
			Flow-rate	Other seasons	Yen/m ³ /months	995.34	995.34	--
				Winter	Yen/m ³ /months	2,236.97	2,236.97	--
			Unit tariff		Other seasons	Yen/m ³	68.41	70.30
				Winter	Yen/m ³	71.70	73.17	▲1.47
	B schedule	Fixed tariff	Standing	Other seasons	Yen/contract/month	10,500.00	11,550.00	▲1,050.00
				Winter	Yen/contract/month	11,550.00	12,600.00	▲1,050.00
		Flow-rate	Other seasons	Yen/m ³ /months	995.34	995.34	--	
			Winter	Yen/m ³ /months	2,236.97	2,236.97	--	
		Unit tariff		Other seasons	Yen/m ³	59.59	61.56	▲1.97
			Winter	Yen/m ³	62.04	64.44	▲2.40	
	C schedule	Fixed tariff	Standing	Other seasons	Yen/contract/month	46,200.00	47,250.00	▲1,050.00
				Winter	Yen/contract/month	48,300.00	52,500.00	▲4,200.00
		Flow-rate	Other seasons	Yen/m ³ /months	995.34	995.34	--	
Winter			Yen/m ³ /months	2,236.97	2,236.97	--		
Unit tariff		Other seasons	Yen/m ³	52.45	53.72	▲1.27		
		Winter	Yen/m ³	54.69	55.98	▲1.29		
Air conditioner B contract	Fixed tariff	Standing	Other seasons	Yen/contract/month	47,250.00	47,250.00	--	
			Winter	Yen/contract/month	58,800.00	58,800.00	--	
	Flow-rate	Other seasons	Yen/m ³ /months	420.71	420.71	--		
		Winter	Yen/m ³ /months	2,308.80	2,308.80	--		
	Unit tariff		Other seasons	Yen/m ³	54.54	54.65	▲0.11	
		Winter	Yen/m ³	56.39	56.49	▲0.10		
Cogeneration system exclusive contract	Fixed tariff		Standing	Yen/contract/month	22,575.00	22,575.00	--	
			Flow-rate	Yen/m ³ /months	1,026.13	1,026.13	--	
	Unit tariff			Yen/m ³	59.46	59.56	▲0.10	
Small-scale cogeneration system package contract	Fixed tariff		Standing	Yen/contract/month	18,900.00	18,900.00	--	
			Flow-rate	Yen/m ³ /months	974.83	974.83	--	
			Peak demand month	Yen/m ³ /months	5.63	5.63	--	
	Unit tariff			Yen/m ³	55.58	57.89	▲2.31	
Transportation-use compressed natural gas A contract	Fixed tariff			Yen/contract/month	1,575.00	1,575.00	--	
	Unit tariff			Yen/m ³	77.82	79.92	▲2.10	
Transportation-use compressed natural gas B contract	Fixed tariff		Standing	Yen/contract/month	8,400.00	8,400.00	--	
			Flow-rate	Yen/m ³ /months	256.53	256.53	--	
	Unit tariff			Yen/m ³	68.51	68.61	▲0.10	
Gas light contract	Fixed tariff			Yen/contract/month	787.50	787.50	--	
	Unit tariff			Yen/m ³	74.32	74.43	▲0.11	

◎Additional contract optional agreement tariffs (tax inclusive ・ 45MJ/m³)

				New tariff	Existing tariff	Amount of revision	
Long-term contract discount	Main contract: industrial A and B contracts		Commodity discount	Yen/m ³	0.52	0.52	--
	Main contract: air conditioner A and B contracts		Fixed flow-rate discount	Yen/m ³ /months	61.58	61.58	--
Commercial all-gas discount	Main contract: industrial A contract		Commodity discount	Yen/m ³	3.61	3.08	▲0.53
			Discount ceiling	Yen/month	42,000.00	42,000.00	--
High load factor discount	Main contract: industrial A and B contracts		Commodity discount	Yen/m ³	1.03	1.03	--
High multiplier discount	Main contract: industrial B contract		Commodity discount	Yen/m ³	2.06	2.06	--
Package discount for cogeneration systems	Main contract: industrial A contract	Type 1	Fixed discount	Yen/m ³	2.05	2.05	--
			Commodity discount	Yen/m ³	6.16	6.16	--
		Type 2	Fixed discount	Yen/m ³	2.05	2.05	--
			Commodity discount	Yen/m ³	4.63	4.11	▲0.52
	Type 3	Fixed discount	Yen/m ³	2.05	2.05	--	
		Commodity discount	Yen/m ³	4.63	4.11	▲0.52	
	Main contract: industrial B contract	Type 1	Fixed discount	Yen/m ³	2.05	2.05	--
			Commodity discount	Yen/m ³	5.14	5.14	--
		Type 2	Fixed discount	Yen/m ³	2.05	2.05	--
			Commodity discount	Yen/m ³	3.08	3.08	--
Type 3 for Industrial A contract		Discount ceiling	Yen/month	54,600.00	42,000.00	12,600.00	

(Document 3) Transmission service agreement tariff schedule

◆ Tariff schedule (tax exclusive)

[Retail transmission service tariff]

1) Retail transmission service tariffs

	Type 1		Type 2	
	New tariffs	Existing tariffs	New tariffs	Existing tariffs
Fixed standing tariff (Yen/contract)	¥177,700	¥179,700	¥115,700	¥119,700
Fixed flow-rate tariff (Yen/m ³)	¥720.00	¥786.70	¥720.00	¥786.70
Commodity tariff (Yen/m ³)	¥2.74	¥2.82	¥3.11	¥3.18

2) Seasonal retail transmission service tariffs

	Type 1		Type 2	
	New tariffs	Existing tariffs	New tariffs	Existing tariffs
Fixed standing tariff (Yen/contract)	¥177,700	¥179,700	¥115,700	¥119,700
Fixed flow-rate tariff (Yen/m ³)	¥720.00	¥786.70	¥720.00	¥786.70
Commodity tariff (Yen/m ³) From April to November	¥2.65	¥2.73	¥3.01	¥3.08
Commodity tariff (Yen/m ³) From December to March	¥3.04	¥3.12	¥3.40	¥3.47

3) High-multiplier retail transmission service tariff for air conditioning

	New tariffs	Existing tariffs
Fixed standing tariff (Yen/contract)	¥59,600	¥64,800
Fixed flow-rate tariff (Yen/m ³)	¥1,290.00	¥1,400.00
Commodity tariff (Yen/m ³)	¥3.95	¥4.02

4) Additional amount of commodity unit price for use of low-pressure pipelines

	New tariffs	Existing tariffs
Retail transmission service tariffs / Seasonal retail transmission service tariffs (Yen/m ³)	¥2.32	¥2.44
High-multiplier retail transmission service tariff for air conditioning (Yen/m ³)	¥1.26	¥1.30

- 5) Reduction amount of commodity unit price for simple metering (New tariff common to 1), 2) and 3))

When load measurement is not incorporated into any meter at delivery point (yen/m ³)	¥0.16
When load measurement is incorporated into some meters at delivery point (¥/m ³)	¥0.12
When load measurement is incorporated into all meters at delivery point (¥/m ³)	¥0.09

* With simple metering (transmission service where the calculated volume is regarded as the actual volume, eliminating the need for meters to calculate hourly flow, communications equipment, etc.), one of the "Reduction amount of commodity unit price for simple metering" amounts above is deducted from the transmission service tariff.

[Connection transmission service tariff]

	New tariffs	Existing tariffs
Fixed flow-rate tariff (Yen/m ³)	¥1,400.00	¥1,475.68
Commodity tariff (Yen/m ³)	¥2.90	¥3.05

◆ Gas cost settlement unit costs (tax exclusive)

Unit costs applied in sale and purchase for settlement of gas surpluses or deficits on a quarterly basis

		New tariffs	Existing tariffs
Selling price (Yen/m ³)	High / medium pressure	¥79.71	¥83.76
	Low pressure	¥102.02	¥106.95
Buying price (Yen/m ³)	High / medium pressure and Low pressure	Average gas resource price (Yen/t)÷100×0.080	Average gas resource price (Yen/t)÷100×0.081

Note: The unit cost applied in sale is covered by the provisions for adjustments for gas resource costs. There is a ceiling on the volume of purchase.