Gas rates for January 2011 based on fluctuation in gas resource cost and adjustment of gas rates (Tokyo District)

Tokyo Gas Co., Ltd.

In accordance with the provisions for gas rate adjustment system, Tokyo Gas has set the unit commodity charge for meter readings in January 2011 downward by 1.09 yen per cubic meter (45MJ) relative to the corresponding charge for meter reading for December 2010.

The adjustments are made reflecting the increase in average resource costs in August – October 2010.

With this adjustment, for meter readings during January of the standard household consuming 34m3(45MJ/ month) in the Tokyo district etc., the monthly gas tariff will decrease by 34 yen (tax included) from that of December (previous month).

month in question) Rate A Rate B Rate C Rate D Rate E Rate F Monthly consumption 21 to 81 to 201 to 501 to 0 to over 801 m³ $20m^3$ 80 m^3 200 m^3 500 m^3 800 m^3 volume Basic charge 724.50 1,081.50 1,333.50 2,467.50 5,722.50 13,618.50 (yen/month) Commodity 140.88 123.03 119.88 114.21 107.70 97.83 charge(yen/m3) <Reference> 141.97 124.12 120.97 115.30 108.79 98.92 Commodity charge(yen/m3) December 2010

1. Supply contract rate

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

2. Effect on a standard customer in residential sector

Monthly consumption
volume of 34 cubic
meters(45MJ/m3)Charge applied for
December 2010Charge applied for
January 2011ChangeIncluding the national
consumption tax5,3015,264-37

*The volume of standard customer is calculated based on the average of 5years (FY2001-2005) usage per household per month.

3. Fluctuation in gas resource prices

		yen/ton		
		JulSep., 2010	AugOct., 2010	Difference
Standard average gas resource price (1)		53,810		
Average gas resource price (2)		50,320	49,030	-1,290
	LNG	50,090	48,750	-1,340
	LPG	56,450	56,130	-320
Difference (2) - (1)		-3,400	-4,700	-1,300

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

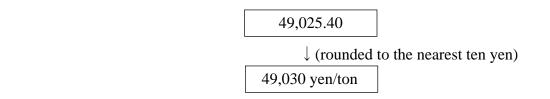
:"Difference(2)-(1)" are rounded down to the nearest hundred yen

4. Calculation of unit charge adjustment

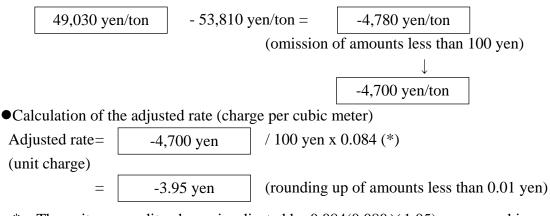
Calculation of unit charge adjustment for gas resource costs

•Calculation of average gas resource prices

Average LNG price	48,750 yen/ton	x 0.9604
(customs clearance statistics value) Average LPG price	56,130 yen /ton	x 0.0393
(customs clearance statistics value)		



•Calculation of the amount of gas resource price fluctuation



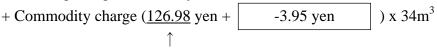
* The unit commodity charge is adjusted by $0.084(0.080 \times 1.05)$ yen per cubic meter for every 100 yen of fluctuation

* Effect on a standard customer in residential sector

			yen/month
Monthly consumption volume of 34 cubic meters(45MJ/m ³)	Charge applied for December 2010	Charge applied for January 2011	Change
Including the national consumption tax	5,301	5,264	-37

*Method of calculation for the standard gas rate in residential sector (including the national consumption tax)

= Standing charge (1,081.50 yen)



Commodity charge at the time of notification of the rate revision

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) every month 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 0.084 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 (53,810 yen per ton) and average gas resource price (calculated on the basis of weighted average cost of LNG and LPG import prices in the previous 3-5 months).
- * The fluctuation in gas resource prices is calculated on the basis of actual values in customs clearance statistics for both LNG and LPG.
- * Arrangement has been made to avoid price hike.

Even if the average gas resource price exceeds the upper limit of 86,100 yen, the amount of 86,100 yen is applied in the calculation of the gas rate adjustment.