

Gas rates for August 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 August 2011 upward by 1.68 yen per cubic meter (45MJ) relative to the corresponding charge for meter reading for July 2011.

The adjustments are made reflecting the increase in average resource costs in March 2011– May 2011.

With this adjustment, for meter readings during August of the standard household consuming 32m³(45MJ/ month) in the Tokyo district etc., the monthly gas tariff will increase by 54 yen (tax included) from that of July (previous month).

1. Supply contract rate

(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 80 m ³	81 to 200 m ³	201 to 500 m ³	501 to 800 m ³	over 801 m ³
Basic charge (yen/month)	724.50	1,081.50	1,333.50	2,467.50	5,722.50	13,618.50
Commodity charge(yen/m ³)	146.84	128.99	125.84	120.17	113.66	103.79
<Reference> Commodity charge(yen/m ³) July 2011	145.16	127.31	124.16	118.49	111.98	102.11

2. Effect on a standard customer in residential sector

Monthly consumption volume of 32 cubic meters(45MJ/m ³)	yen/month		
	Charge applied for July 2011	Charge applied for August 2011	Change
Including the national consumption tax	5,155	5,209	54

*The volume of standard household is calculated based on the average of 5years (FY2006-2010) usage per household per month.

*The standard household consumption is revised from 34 m³ to 32 m³ since June, 2011. (Based on the revision of 5-year average from FY2001-2005 to FY2006-2010)

3. Fluctuation in gas resource prices

	yen/ton		
	Feb.,2011 -Apr., 2011	Mar.,2011 -May, 2011	Difference
Standard average gas resource price (1)	53,810		/
Average gas resource price (2)	54,300	56,210	1,910
LNG	53,560	55,470	1,910
LPG	72,900	74,730	1,830
Difference (2) - (1)	400	2,400	2,000

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 (customs clearance statistics value)	55,470 yen/ton	x 0.9604
Average LPG price (customs clearance statistics value)	74,730 yen /ton	x 0.0393
+)		
	56,210.27	
	↓ (rounded to the nearest ten yen)	
	56,210 yen/ton	

● Calculation of the amount of gas resource price fluctuation

56,210 yen/ton	-	53,810 yen/ton	=	2,400 yen/ton
(omission of amounts less than 100 yen)				
↓				
border: 1px solid black; text-align: center; padding: 5px;">2,400 yen/ton				

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

Adjusted rate=	2,400 yen	/ 100 yen x 0.084 (*)
(unit charge)		
=	2.01 yen	(rounding down of amounts less than 0.01 yen)

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

* Effect on a standard customer in residential sector

Monthly consumption volume of 32 cubic meters(45MJ/m ³)	yen/month		
	Charge applied for July 2011	Charge applied for August 2011	Change
Including the national consumption tax	5,155	5,209	54

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

$$\begin{aligned}
 &= \text{Standing charge (1,081.50 yen)} \\
 &+ \text{Commodity charge (} \underbrace{126.98}_{\substack{\uparrow \\ \text{Commodity charge at the time of notification of the rate revision}}} \text{ yen} + \boxed{2.01 \text{ yen}} \text{) } \times 32\text{m}^3
 \end{aligned}$$

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.