Gas rates for December 2014 based on fluctuation in gas resource cost and adjustment of gas rates (Tokyo District, etc.)

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 December 2014 downward by 0.35 yen per cubic meter (45MJ, tax included) relative to the corresponding charge for meter readings in November 2014.

The adjustments are made based on average resource costs in July 2014– September 2014.

With these adjustments, for meter readings during December 2014 of the standard household consuming 32m3(45MJ/ month) in the Tokyo district, etc., the monthly gas tariff will decrease by 11 yen (tax included) from that of November 2014(previous month).

1. Supply contract rate

(Application of rate schedule $A \sim F$ 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	0 to	21 to	81 to	201 to	501 to	over 801
volume	$20m^3$	80 m^3	200 m^3	500 m^3	800 m^3	m ³
Basic charge (yen/month)	745.20	1,026.00	1,198.80	2,062.80	6,382.80	12,430.80
Commodity charge(yen/m3)	167.87	153.83	151.67	147.35	138.71	131.15
<reference> Commodity charge(yen/m3) November 2014</reference>	168.22	154.18	152.02	147.70	139.06	131.50

*Calculated based on 8% tax

2. Effect on a standard customer in residential sector

yen/month Monthly consumption Charge applied for Charge applied for volume of 32 cubic November 2014 December 2014 Change meters(45MJ/m3) (tax included) (tax included) Including the national 5,959 5,948 -11 consumption tax

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

3. Fluctuation in gas resource prices

			ye	n/ton
		June.2014-Aug.2014	July.2014-Sept.2014	Difference
Standard average gas r	resource price (1)	82,4	70	
Average gas re	source price (2)	85,290	84,960	-330
	LNG	85,000	84,700	-300
	LPG	90,110	89,260	-850
Difference (2) - (1)	2,800	2,400	-400

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

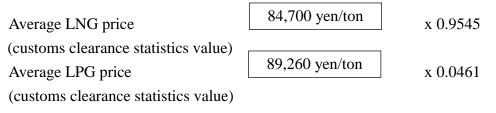
: "Difference(2)-(1)" are rounded down to the nearest hundred yen

4. Calculation of unit charge adjustment

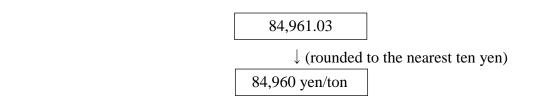
Calculation of unit charge adjustment for gas resource costs

*Calculated based on 8% tax

•Calculation of average gas resource prices



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•Calculation of the amount of gas resource price fluctuation

84,960 ye	n/ton - 82,470 y	yen/ton =	2,490 yen/ton	
		(omission o	of amounts less than	100 yen)
			\downarrow	
			2,400 yen/ton	
Calculation of th	ne adjusted rate (char	ge per cubic 1	meter)	Ĺ
Adjusted rate=	2,400 yen	/ 100 yen x 0.08748 (*)		
(unit charge)				
=	2.09yen	(rounding)	up of amounts less th	an 0.01 yen)

*:The unit commodity charge is adjusted by $0.08748(0.081 \times 1.08)$ yen per cubic meter for every 100 yen of fluctuation

von/month

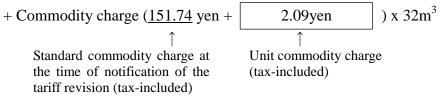
* Effect on a standard customer in residential sector

			yen/monul
Monthly consumption volume of 32 cubic meters(45MJ/m ³)	Charge applied for November 2014	Charge applied for December 2014	Change
Including the national consumption tax	5,959	5,948	-11

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

Gas rate (Tokyo district, etc., tax included, rounded down to the nearest yen)

= Basic charge (1,026.00 yen)



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 0.08748 yen per cubic meter (0.081 multiplied by 1.08(consumption tax)) for each 100 yen of fluctuation in gas resource price, based on the difference between the standard average gas resource price (82,470 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 131,950 yen, the amount of 131,950 yen is applied in the calculation of the gas rate adjustment.