

Gas rates for October 2016
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 October 2016 downward by 0.70 yen per cubic meter (45MJ, tax included) relative to the corresponding charge for meter readings in September 2016.

The adjustments are made based on average resource costs in May 2016 – July 2016.

With these adjustments, for meter readings during October 2016 of the standard household consuming 32m³(45MJ/ month) in the Tokyo district, etc., the monthly gas tariff will decrease by 22 yen (tax included) from that of September 2016 (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)	745.20	1,036.80	1,209.60	1,857.60	6,177.60	12,225.60
Commodity charge(yen/m ³)	122.18	107.60	105.44	102.20	93.56	86.00
<Reference> Commodity charge(yen/m ³) August 2016	122.88	108.30	106.14	102.90	94.26	86.70

*Calculated based on 8% tax

2. Effect on a standard customer in residential sector

	yen/month		
Monthly consumption volume of 32 cubic meters(45MJ/m ³)	Charge applied for September 2016 (tax included)	Charge applied for October 2016 (tax included)	Change
Including the national consumption tax	4,502	4,480	-22

*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

	yen/ton		
	Apr. 2016-Jun 2016	May. 2016- Jul, 2016	Difference
Standard average gas resource price (1)	57,250		/
Average gas resource price (2)	34,560	33,820	-740
LNG	34,170	33,420	-750
LPG	39,780	39,230	-550
Difference (2) - (1)	-22,600	-23,400	-800

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

Average LNG price (customs clearance statistics value)	33,420 yen/ton	x 0.9479	
Average LPG price (customs clearance statistics value)	39,230 yen/ton	x 0.0546	
+)			
	33,820.77		
		↓ (rounded to the nearest ten yen)	
	33,820 yen/ton		

●Calculation of the amount of gas resource price fluctuation

$$\begin{array}{rcccl}
 \boxed{33,820 \text{ yen/ton}} & - & 57,250 \text{ yen/ton} & = & \boxed{-23,430 \text{ yen/ton}} \\
 & & & & \text{(omission of amounts less than 100 yen)} \\
 & & & & \downarrow \\
 & & & & \boxed{-23,400 \text{ yen/ton}}
 \end{array}$$

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

$$\begin{array}{rcl}
 \text{Adjusted rate=} & \boxed{-23,400 \text{ yen}} & / 100 \text{ yen} \times 0.08748 (*) \\
 \text{(unit charge)} & & \\
 = & \boxed{-20.48 \text{ yen}} & \text{(rounding up of amounts less than 0.01 yen)}
 \end{array}$$

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

* Effect on a standard customer in residential sector

yen/month			
Monthly consumption volume of 32 cubic meters(45MJ/m ³)	Charge applied for September 2016	Charge applied for October 2016	Change
Including the national consumption tax	4,502	4,480	-22

*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 (1,036.80 yen)

+ Commodity charge (128.08 yen + -20.48 yen) x 32m³

↑
Standard commodity charge at
the time of notification of the
tariff revision (tax-included)

↑
Unit commodity charge
(tax-included)

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 (57,250 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 91,600 yen, the amount of 91,600 yen is applied in the calculation of the gas rate adjustment.