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

Tokyo Gas Co., Ltd.

wan/manth

In accordance with the provisions for gas rate adjustment system, Tokyo Gas has set the unit commodity charge for meter readings in October 2011 upward by 2.94 yen per cubic meter (45MJ) relative to the corresponding charge for meter reading for September 2011.

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

With this adjustment, for meter readings during October of the standard household consuming 32m3(45MJ/ month) in the Tokyo district etc., the monthly gas tariff will increase by 94 yen (tax included) from that of September (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 volume	0 to $20m^3$	$\begin{array}{c} 21 \text{ to} \\ 80 \text{ m}^3 \end{array}$	81 to $200 \text{ m}^3$	201 to $500 \text{ m}^3$	501 to $800 \text{ m}^3$	over 801 m <sup>3</sup>
Basic charge (yen/month)	724.50	1,081.50	1,333.50	2,467.50	5,722.50	13,618.50
Commodity charge(yen/m3)	151.97	134.12	130.97	125.30	118.79	108.92
<reference> Commodity charge(yen/m3) September 2011</reference>	149.03	131.18	128.03	122.36	115.85	105.98

## 2. Effect on a standard customer in residential sector

			yen/month
Monthly consumption volume of 32 cubic meters(45MJ/m3)	Charge applied for September 2011	Charge applied for October 2011	Change
Including the national consumption tax	5,279	5,373	94

\*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

			ye	en/ton
		Apr.,2011	May, 2011	Difference
		-June, 2011	-July, 2011	
Standard average gas resource price (1)		53,810		
Average gas resource price (2)		58,870	62,310	3,440
	LNG	58,130	61,740	3,610
	LPG	77,370	76,690	-680
Difference (2) - (1)		5,000	8,500	3,500

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

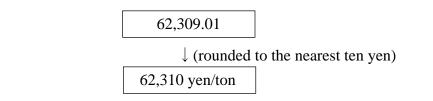
:"Difference(2)-(1)" are rounded down to the nearest hundred yen

4. Calculation of unit charge adjustment

Calculation of unit charge adjustment for gas resource costs

•Calculation of average gas resource prices

Average LNG price	61,740 yen/ton	x 0.9604
(customs clearance statistics value) Average LPG price (customs clearance statistics value)	76,690 yen /ton	x 0.0393



•Calculation of the amount of gas resource price fluctuation

62,310 ye	n/ton - 53,810 y	/en/ton =	8,500 yen/ton	
		(omission o	of amounts less than	100 yen)
			$\downarrow$	_
			8,500 yen/ton	
•Calculation of th	ne adjusted rate (charg	ge per cubic r	neter)	I
Adjusted rate=	8,500 yen	/ 100 yen x	0.084 (*)	
(unit charge)				
=	7.14 yen	(rounding o	lown of amounts less	s than 0.01 yen)
* The weit com		used at her 0.00	$24(0.090 \times 1.05)$ size	

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

ven/month

\* Effect on a standard customer in residential sector

Monthly consumption volume of 32 cubic meters(45MJ/m <sup>3</sup> )	Charge applied for September 2011	Charge applied for October 2011	Change
Including the national consumption tax	5,279	5,373	94

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

= Standing charge (1,081.50 yen)

+ Commodity charge (126.98 yen + 7.14 yen ) x 
$$32m^3$$

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.