

Gas rates for January 2012
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 2012 downward by 0.33 yen per cubic meter (45MJ, tax included) relative to the corresponding charge for meter reading for December 2011.

The adjustments are made reflecting the increase in average resource costs in August 2011– October 2011.

With this adjustment, for meter readings during January of the standard household consuming 32m³(45MJ/ month) in the Tokyo district etc., the monthly gas tariff will decrease by 10 yen (tax included) from that of December (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)	154.91	137.06	133.91	128.24	121.73	111.86
<Reference> Commodity charge(yen/m ³) December 2011	155.24	137.39	134.24	128.57	122.06	112.19

2. Effect on a standard customer in residential sector

	yen/month		
Monthly consumption volume of 32 cubic meters(45MJ/m ³)	Charge applied for December 2011	Charge applied for January 2012	Change
Including the national consumption tax	5,477	5,467	-10

*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		
	July,2011 -Sept., 2011	Aug, 2011 -Oct., 2011	Difference
Standard average gas resource price (1)	53,810		/
Average gas resource price (2)	66,260	65,830	-430
LNG	66,150	65,800	-350
LPG	69,370	67,040	-2,330
Difference (2) - (1)	12,400	12,000	-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

●Calculation of average gas resource prices

Average LNG price (customs clearance statistics value)	65,800 yen/ton	x 0.9604	
Average LPG price (customs clearance statistics value)	67,040 yen /ton	x 0.0393	
+)			
	65,828.99		
		↓ (rounded to the nearest ten yen)	
	65,830 yen/ton		

●Calculation of the amount of gas resource price fluctuation

65,830 yen/ton	-	53,810 yen/ton =	12,020 yen/ton	
(omission of amounts less than 100 yen)				
↓				
12,000 yen/ton				

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

Adjusted rate=	12,000 yen	/ 100 yen x 0.084 (*)	
(unit charge)			
=	10.08 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

			yen/month
Monthly consumption volume of 32 cubic meters(45MJ/m ³)	Charge applied for December 2011	Charge applied for January 2012	Change
Including the national consumption tax	5,477	5,467	-10

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

$$\begin{aligned}
 &= \text{Standing charge (1,081.50 yen)} \\
 &+ \text{Commodity charge (} \underbrace{126.98}_{\substack{\uparrow \\ \text{Commodity charge at the time of notification of the rate revision}}} \text{ yen} + \boxed{10.08 \text{ yen}} \text{)} \times 32\text{m}^3
 \end{aligned}$$

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.