

Notice on Changes to Gas Supply Provisions by Contract (General Charge Contract)

September 20, 2022

Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara; hereinafter “the Company”) will change its gas supply provisions by contract (general charge contract) on November 1, 2022, and gradually revise the ceiling prices for the average resource prices that are used to adjust unit rates specified in the general charge contract*¹, starting with gas bills for December 2022 meter readings.

The Company asks its gas consumers to pay gas bills reflective of fluctuations in resource prices based on the adjustment of resource costs. To mitigate the impact of a sharp rise in resource prices on its customers, the Company has set the ceiling prices.

However, gas resource prices have been soaring due to recent rapid changes in the international situation, including the worsening situation in Ukraine and the depreciation of the yen. The average resource prices have exceeded the ceiling price since the September 2022 meter reading, and the Company expects that this trend will continue.

To enable its customers to use gas worry-free, the Company has been working to thoroughly improve the efficiency of its business operations. However, to continue to ensure stable gas supply, the Company has decided to change its gas supply provisions by contract (general charge contract).

We will continue to strive to further improve the efficiency of our business operations. Thank you very much in advance for your understanding.

*1: Gas charges are determined by adding the metered charge to the basic charge. The metered charge is calculated by using unit rates (adjusted unit rates), which are revised monthly in accordance with fluctuations in gas resource prices as an adjustment of gas resource costs*².

*2: In the adjustment of gas resource costs, fluctuations in gas resource prices caused by changes in crude oil prices and exchange rates are reflected in monthly gas charges.

The adjusted unit rates are determined based on the difference between the reference gas resource price and the average gas resource price.

The average gas resource price is calculated on the basis of trade statistics on LNG and LPG

(propane and butane) issued by the Ministry of Finance.

*3: An average gas resource price is calculated according to the formula specified in the basic gas supply provisions and the gas supply provisions by contract (general charge contract) (enforced as of April 1, 2022) based on the prices provided in the Trade Statistics of Japan published by the Ministry of Finance. Of the published prices in the Trade Statistics, which are used to calculate the average gas resource prices for the November meter reading, preliminary figures were used to calculate prices for August 2022.

[Details of the change]

1. Changes will be made in the ceiling prices for the average gas resource price as an adjustment of gas resource costs.

For customers on a general charge contract, the Company will change the ceiling price for the average gas resource price (102,540 yen/ton) to be included in gas bills from the December 2022 meter reading.

As a transition measure to mitigate the impact on customers, the Company will make a gradual change to the ceiling prices to calculate gas bills for the period between the December 2022 and April 2023 meter readings.

We will inform the relevant customers individually by direct mail, etc. in due course.

<Phased-in changes of ceiling price>

Year/month of meter reading	2022	2023				
	December	January	February	March	April	May onwards
Ceiling price (yen/ton)	115,090	127,640	140,190	152,740	165,290	177,860

* You can find the unit rates for each month and gas charges for the standard household (30 m³/month) on our website from the end of the month two months prior to the month in which the rate is applied.

2. Timing of application to gas bills

As of November 1, 2022, the gas supply provisions by contract (general charge contract) will be changed. New rates after the change will be applied from gas bills for the December 2022 meter readings.

3. Contact information

Inquiries regarding this matter

0120-006-322 [Hours] (Mon.–Sat.) 9:00 to 19:00; (Sun. and holidays) 9:00 to 17:00

(Customers do not need to go through any special procedures if they wish to continue using the Company's gas.)

* Please also check "Frequently Asked Questions" on our website.

URL: https://faq.osakagas.co.jp/category/show/631?site_domain=default?clcnt=p