

Changes to the basic gas terms and conditions and the electricity supply terms and conditions, etc. following the adoption of the “Electricity and Gas Price Volatility Mitigation Project”

December 15, 2022
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara, hereinafter, “the company”) was adopted by the government for the “Electricity and Gas Price Volatility Mitigation Project,” and on January 1, 2023, the company’s basic gas terms and conditions^{*1} and electricity supply terms and conditions^{*2} will be changed, and from February 2023,^{*3} gas and electricity fees will be discounted for customers who are eligible for the government’s “Electricity and Gas Price Volatility Mitigation Project.”

*1: All supply conditions such as the basic gas terms and conditions

*2: All supply conditions such as the electricity supply terms and conditions

*3: Please refer to the table below for the usage period subject to the fee for February.

Category	Eligible customers	Usage period
Gas	Mainly household customers	The day after the meter reading day in January to the meter reading day in February
	Mainly large contract customers	February 1 to the end of February (meter reading on the last day of February)
Electricity	Low-voltage/high-voltage customers	The meter reading day in January to the day before the meter reading day in February
	Some high-voltage customers	February 1 to the end of February (meter reading on March 1)

1. Details of the change

In order to reduce the gas fee and electricity bill^{*4} based on the support unit price determined by the government’s “Electricity and Gas Price Volatility Mitigation Project,” we will change the calculation formulas for resource and fuel cost adjustments. Please refer to the attachment for specific changes.

*4 The gas fee will be discounted by the minimum value exceeding the support unit price based on the calculation formula described in the basic gas terms and conditions.

The electricity bill will be discounted by the support unit price based on the calculation formula

described in the electricity supply terms and conditions.

[Regarding government support unit price] (tax included)

	Fees for February to September 2023	Fee for October 2023
Gas	30 yen/m ³	15 yen/m ³
Electricity (low voltage)	7 yen/kWh	3.5 yen/kWh
Electricity (high voltage)	3.5 yen/kWh	1.8 yen/kWh

* Customers with an annual contract volume of 10 million m³ or more or in gas sales*⁵ for power generation businesses are not eligible for support. *Special high-voltage customers are not eligible.

*⁵ Gas used by customers operating power generation business to sell electricity is not covered.

2. Timing of application

Applicable to fees for February to October 2023.

3. The government's "Electricity and Gas Price Volatility Mitigation Project"

For more information, please visit the following URL:

<https://denkigas-gekihenkanwa.go.jp/general>

4. Contact information

Inquiries on changes to the terms and conditions

0120-006-322

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

*Excluding December 29 to January 3.

(Customers do not need to undertake any special procedures for this change.)

Gas fee discounts under the “Electricity and Gas Price Volatility Mitigation Project”

- Gas fees will be discounted based on the government’s “Electricity and Gas Price Volatility Mitigation Project (hereafter, Volatility Mitigation).”
- There is no need for customers to apply for discounts.

Eligible customers	Customers with a gas demand and supply contract with the company whose annual contract volume is less than 10 million m ³ . * Gas sales* ¹ for the power generation business are not covered.	
Period	Fees for February 2023 to October 2023	
Government support unit price (Tax included)	Fees for February 2023 to September 2023	30 yen/m ³
	Fee for October 2023	15 yen/m ³
Discount method	We will change the gas basic contract, etc.* ² and adjust the monthly gas resource cost based on the government-supported unit price.	
Others	No customer application is required. In addition, we will not issue documents associated with changes to the gas basic contract.	

*1 Gas used by customers operating the power generation business to sell electricity is not covered.

*2 All supply conditions, including the basic gas terms and conditions

Gas fee discount method

- Based on the government's support unit price for Volatility Mitigation, we will reduce the gas fee by lowering the average gas resource price and lowering the adjustment amount through the gas resource cost adjustment.

1. Gas fee calculation method

$$\text{Gas fee} = \text{Basic charge} + \left(\text{Reference unit rate} \pm \text{Adjusted rate based on adjustment of gas resource cost} \right) \times \text{Usage for the month}$$

2. Discount method based on government support (example)

$$\text{Adjusted rate based on adjustment of gas resource cost} = 0.081 \times \text{gas resource price change} \div 100 \text{ yen} \times (1 + \text{consumption tax rate})$$

*The formula for calculating the adjustment of the gas resource cost depends on the content of the contract.

When average gas resource price \geq reference gas resource price: average gas resource price - reference gas resource price

When average gas resource price $<$ reference gas resource price: reference gas resource price - average gas resource price

* The average gas resource price is calculated on the basis of trade statistics on LNG and LPG issued by the Ministry of Finance.

- During the implementation period of Volatility Mitigation, we will lower the average gas resource price by lowering the average price of LNG based on the government's support unit price, calculate the adjusted rate based on adjustment of the gas resource cost every month, and reduce the gas fee.
- For details, please check the supply conditions for each rate.

Electricity bill discounts under the “Electricity and Gas Price Volatility Mitigation Project”

- As with gas fees, electricity bills will be discounted based on the government’s Volatility Mitigation.
- There is no need for customers to apply for discounts.

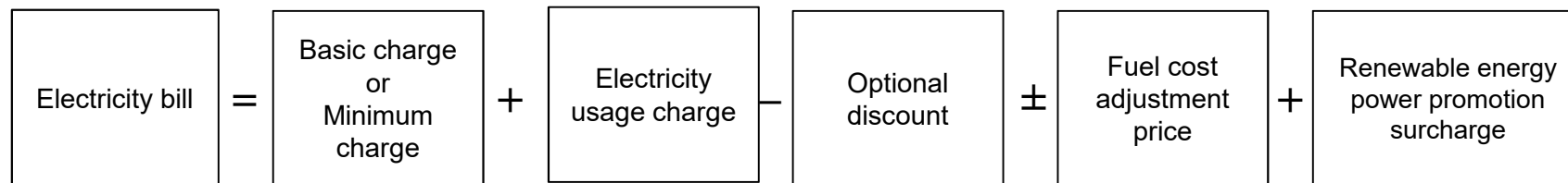
Eligible customers	Customers who have concluded an electricity demand and supply contract with us * Special high-voltage customers are not eligible.		
Period	Fees for February 2023 to October 2023		
Government support unit price (Tax included)	Fees for February 2023 to September 2023	Low-voltage customers	7.0 yen/kWh
		High-voltage customers	3.5 yen/kWh
	Fee for October 2023	Low-voltage customers	3.5 yen/kWh
		High-voltage customers	1.8 yen/kWh
Discount method	We will change the electricity supply contract, etc.*1 and reflect the government support unit price in the monthly fuel cost adjustment amount.		
Others	No customer application is required. In addition, we will not issue documents associated with changes to the electricity supply contract.		

*1 All supply conditions, including the electricity supply terms and conditions

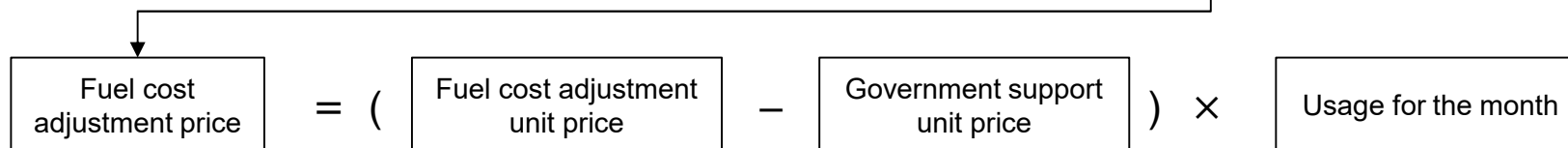
Electricity bill discount*1 method

- By deducting the government support unit price from the fuel cost adjustment unit price, electricity bills will be discounted during the implementation period of Volatility Mitigation.

1. Electricity bill calculation method



2. Discount method based on government support



- During the Volatility Mitigation implementation period, the fuel cost adjustment amount is calculated by subtracting the government support unit price from the “fuel cost adjustment unit price” every month.
- For example, if the fuel cost adjustment unit price for a low-voltage customer is 10.91 yen/kWh, the fuel cost adjustment amount is calculated by subtracting the government support unit price of 7 yen/kWh from the unit price to make 3.91 yen/kWh, and multiplying the result by the monthly usage amount.