

**Changes to the basic gas terms and conditions and the electricity supply terms and conditions, etc. following the adoption of the FY2023 “Electricity and Gas Price Volatility Mitigation Project”**

December 22, 2023

Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara, hereinafter, “the Company”) participated in the “Electricity and Gas Price Volatility Mitigation Project” and offered discounts on city gas and electricity prices from February 2023 to January 2024 in accordance with the support unit prices set by the government.\*1\*2 Following the adoption of the FY2023 “Electricity and Gas Price Volatility Mitigation Project”, the company will change its basic gas terms and conditions, etc. \*3 and electricity supply terms and conditions, etc.\*4 on January 1, 2024, **to continue to provide discounts on gas and electricity prices to customers who are eligible for the government project from February 2024 onwards**\*5. Please note that there are no special procedures for customers to follow with this change.

\*1: 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 “(announced in December 2022)

[https://www.osakagas.co.jp/en/whatsnew/\\_icsFiles/afieldfile/2023/01/05/221215.pdf](https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2023/01/05/221215.pdf)

\*2: Notice regarding discounts on gas and electricity prices through government support measures (announced in September 2023)

[https://www.osakagas.co.jp/topics/1766271\\_14522.html](https://www.osakagas.co.jp/topics/1766271_14522.html)

\*3 All supply conditions, such as the basic gas terms and conditions

\*4 All supply conditions, such as the electricity supply terms and conditions

\*5: Please refer to the table below for the usage period subject to the fees 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 changes

In order to reduce gas fee and electricity bill\*6 based on the support unit price determined by the government's FY2023 "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.

\*6 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 2024 to May 2024	Fee for June 2024
Gas	15 yen/m <sup>3</sup>	7.5 yen/m <sup>3</sup>
Electricity (low voltage)	3.5 yen/kWh	1.8 yen/kWh
Electricity (high voltage)	1.8 yen/kWh	0.9 yen/kWh

\*\*The following are not eligible for support: customers with annual gas contracts of 10 million m<sup>3</sup>/year or more and gas used by customers engaged in power generation for the sale of electricity. Special high-voltage customers are not eligible.

## 2. Timing of application

Applicable to fees for February 2024 to June 2024

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

Please see the URL below for the project overview.

▽Agency for Natural Resources and Energy website: City gas and electricity prices will continue to be reduced.

<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 continuously under the “Electricity and Gas Price Volatility Mitigation Project”

- Gas fees will be discounted based continuously on the government’s FY2023 “Electricity and Gas Price Volatility Mitigation Project (hereafter, Volatility Mitigation)” from February 2024 onwards.
- There is no need for customers to apply for discounts.

<b>Eligible customers</b>	Customers with a gas demand and supply contract with the company whose annual contract volume is less than 10 million m <sup>3</sup> . * Gas sales* <sup>1</sup> for the power generation business are not covered.	
<b>Period</b>	Fees for February 2024 to June 2024	
<b>Government support unit price (Tax included)</b>	Fees for February 2024 to May 2024	15 yen/m <sup>3</sup>
	Fee for June 2024	7.5 yen/m <sup>3</sup>
<b>Discount method</b>	We will change the gas basic contract, etc.* <sup>2</sup> and adjust the monthly gas resource cost based on the government-supported unit price.	
<b>Others</b>	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 continuously under the “Electricity and Gas Price Volatility Mitigation Project”

- As with gas fees, electricity bills will be discounted continuously based on the government’s Volatility Mitigation from February 2024 onwards.
- There is no need for customers to apply for discounts.

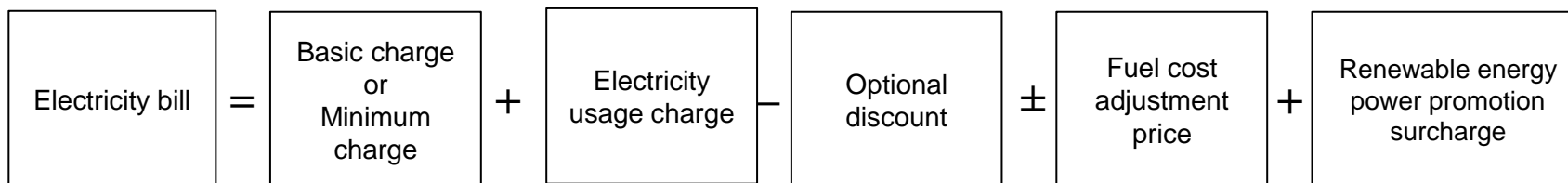
<b>Eligible customers</b>	Customers who have concluded an electricity demand and supply contract with us * Special high-voltage customers are not eligible.		
<b>Period</b>	Fees for February 2024 to June 2024		
<b>Government support unit price (Tax included)</b>	Fees for February 2024 to May 2024	Low-voltage customers	3.5 yen/kWh
		High-voltage customers	1.8 yen/kWh
	Fee for June 2024	Low-voltage customers	1.8 yen/kWh
		High-voltage customers	0.9 yen/kWh
<b>Discount method</b>	We will change the electricity supply contract, etc.*1 and reflect the government support unit price in the monthly fuel cost adjustment amount.		
<b>Others</b>	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

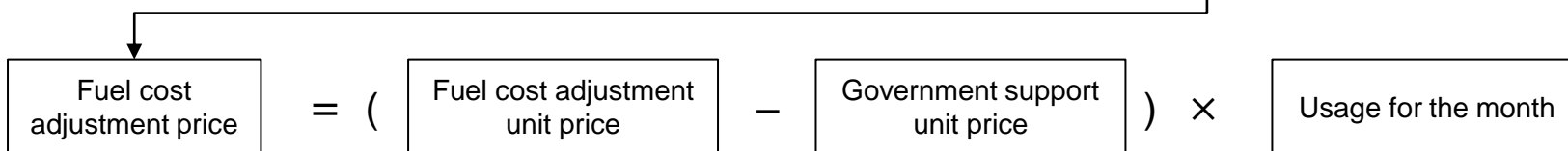
## Electricity bill discount method

- 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 3.5 yen/kWh from the unit price to make 7.41 yen/kWh, and multiplying the result by the monthly usage amount.