LIGHTING BY TIME-OF-USE

(SELECTIVE RULES AND RATES)

N O T I C E

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Effective as of April 1, 2007

KYUSHU ELECTRIC POWER CO., INC.

LIGHTING BY TIME-OF-USE
(Selective Rules and Rates)

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I. MAIN PROVISIONS

1. Purpose

The Lighting by Time-of-Use of the Selective Rules and Rates aims to encourage a shift of load to time zones with less power demand through use of a rate system set for different period of time of use, thus contributing to more efficient use of the electric facilities of Kyushu Electric Power Co., Inc. (hereinafter referred to as "KYEPCO").

2. Approval and Revision of the Selective Rules and Rates

(1) The Lighting by Time-of-Use of the Selective Rules and Rates has been submitted for approval to the Minister of Economy, Trade and Industry, pursuant to Article 19.7 of the Electricity Utilities Industry Law.

(2) KYEPCO may revise the Lighting by Time-of-Use upon submitting subject to notification for approval to the Minister of Economy, Trade and Industry. Upon such revision, the electric tariff and other supply conditions are governed by such revised Lighting by Time-of-Use.

(3) KYEPCO shall revise the Lighting by Time-of-Use whenever revision is made to the Rules and Rates for Electric Service (submitted on February 14, 2007, hereinafter referred to as the "Rules and Rates").

3. Application

This contract is applicable to any customer to whom Residential Lighting of the Rules and Rates is applied and whose load may be shifted from daytime to nighttime as set forth in 6 (Categories of Time-of-Use) when the customer requests the application thereof.

4. Power Supply Method, Supply Voltage and Frequency

Power is supplied in AC, single-phase three-wire, at a standard voltage of 100 and 200 volts and with 60 Hertz as the standard frequency. However, if special technological reasons or any circumstances at KYEPCO's supply facilities so require, power may be supplied in AC, single-phase two-wire, at a standard voltage of 100 or 200 volts.

5. Contract Capacity

(1) The contract capacity shall be determined pursuant to Residential Lighting C in of the Rules and Rates, in principle.

(2) If a customer utilizes small-scale appliances as defined in Schedule 1 (Nighttime Thermal Storage Equipment) (hereinafter referred to "nighttime thermal storage equipment"), notwithstanding the provision of (1) above, the contract capacity shall be, in principle, the

value obtained according to (A) below if the value obtained by multiplying the value (A) by 0.4 is equal to or greater than the value (B); for all other cases, the contract capacity shall be the value calculated by the formula below:

Value (A) + value (B) × 0.1

(A) Value obtained in accordance with the method for determining the contract capacity for Residential Lighting C of the Rules and Rates, in principle, for all items of contract load equipment other than nighttime thermal storage equipment

(B) Total (input) capacity of nighttime thermal storage equipment among contract load equipment

6. Categories of Time-of-Use

The Time-of-Use shall be categorized as follows:

(1) Daytime

From 8:00 to 22:00 every day

(2) Nighttime

All periods of time other than daytime hours

7. Rates

The rates applicable shall be the net charge for prompt payment when payment is made within the prompt payment period or the "net electric charge for late payment" when payment is made after the prompt payment period. However, in the case of (1) (A) of 27 (Billing) of the Rules and Rates, the net charge obtained by per-diem calculation pursuant to (1) (A) of 9 (Others) for a terminated contract shall be the net charge for prompt payment.

(1) Net Charge for Prompt Payment

The net charge for prompt payment is the sum total of the demand charge and the energy charge. However, if the customer utilizes the nighttime thermal storage equipment and/or off-peak thermal-storage electric water heaters defined in Schedule 3 (Eight-Hour Charge Equipment) (hereinafter referred to as "eight-hour charge equipment") or the nighttime thermal storage equipment described in (2) (C) 8 (Measurement of Energy Consumption), the net charge for prompt payment shall be the sum total of the demand charge and the energy charge minus the amount of the discount for eight-hour charge equipment calculated based on (C) or the amount of the discount for five-hour charge equipment calculated according to (D). Further, if the average fuel price calculated pursuant to (1) (A) of Schedule 4 (Fuel Cost Adjustment) is lower than ¥18,300, the fuel cost adjustment amount as calculated pursuant to (1) (D) of Schedule 4 (Fuel Cost Adjustment) shall be subtracted from the energy charge. If

the average fuel price calculated pursuant to (1) (A) of Schedule 4 (Fuel Cost Adjustment) is higher than ¥20,100, the fuel cost adjustment amount calculated pursuant to (1) (D) of Schedule 4 (Fuel Cost Adjustment) shall be added to the energy charge.

(A) Demand charge

As shown below, the demand charge per month is based on the contract capacity. However, if no electricity is consumed during the billing month, the amount shall be calculated at half the rate.

(a) For the contract capacity of 6 kilovolt-amperes or less

Per contract	¥1,155.00

(b) For the contract capacity of over 6 kilovolt-amperes

First 10 kilovolt-amperes per contract	¥1,575.00
Per kilovolt-ampere exceeding the above amount	¥283.50

(B) Energy charge

The energy charge is determined according to the energy consumption for the respective time of use during the billing month.

(a) Daytime

Per kWh, up to the first 80 kWh	¥20.62
Per kWh, over the first 80 kWh up to 200 kWh	¥26.25
Per kWh, over 200 kWh	¥28.09

(b) Nighttime

Per kWh	¥7.19

(C) Discount for eight-hour charge equipment

The amount of the discount for eight-hour charge equipment per month shall be determined as shown below. However, if no electricity is consumed during the billing month, the amount shall be calculated at half the rate.

Total (input) capacity of eight-hour charge equipment, per kilovolt-ampere	¥210.00

The unit for the total (input) capacity of eight-hour charge equipment shall be one (1) kilovolt-ampere. Fractions greater than half of one (1) kilovolt-ampere or more are rounded up; fractions less than half of one (1) kilovolt-ampere are disregarded.

(D) Discount for five-hour charge equipment

The amount of the discount for five-hour charge equipment per month shall be determined as shown below. However, if no electricity is consumed during the billing month, the amount shall be calculated at half the rate.

Total (input) capacity of five-hour charge equipment, per kilovolt-ampere	¥231.00

The unit for the total (input) capacity of five-hour charge equipment shall be one (1) kilovolt-ampere. Fractions greater than half of one (1) kilovolt-ampere or more are rounded up; fractions less than half of one (1) kilovolt-ampere are disregarded.

(E) Minimum monthly charge

If the sum of the demand charge and energy charge determined according to (A) and (B) minus the amount of the discount for eight-hour charge equipment or for five-hour charge equipment calculated according to (C) and (D), respectively, is lower than the amount given below, the net charge for prompt payment for the billing month shall be the following amount:

Per contract	¥420.00

(2) Net Charge for Late Payment

The net charge for late payment shall be obtained by adding three (3) percent to the net charge for prompt payment.

8. Measurement of Energy Consumption

(1) Energy consumption shall be measured for the respective time of use period. In this case, the measurement of such energy consumption shall conform to 26 (Measurement of Energy Consumption) of the Rules and Rates.

(2) Measurement for Nighttime Thermal Storage Equipment and Other Items

(A) Under special circumstances, energy consumption by nighttime thermal storage equipment may be measured separately from other load equipment based on agreement between KYEPCO and the customer. In such case, the customer is required to install a dedicated power line indoors to be connected to such nighttime thermal storage equipment. Also, KYEPCO, in principle, stops electric supply to such equipment during any period other than nighttime, with the use of appropriate devices.

Further, KYEPCO may change the start time of charging for such nighttime thermal storage equipment by two hours or less if the circumstances at KYEPCO's supply facilities so require. However, the duration of charging shall not be extended or

shortened.

(B) When the provisions in (A) are applicable and the customer uses eight-hour charge equipment, KYEPCO shall stop electric supply to the nighttime thermal storage equipment during any period other than that from 23:00 to 7:00 every day, with the use of appropriate devices.

Further, KYEPCO may change the start time of charging for such nighttime thermal storage equipment by two hours if the circumstances at KYEPCO's supply facilities so require. However, the duration of charging shall not be either extended or shortened.

(C) When the provisions in (A) are applicable and the customer so requests, KYEPCO shall stop electric supply to such nighttime thermal storage equipment during any period other than that from 1:00 to 6:00 every day, with the use of appropriate devices. (Such nighttime thermal storage equipment in this case shall be referred to as "five-hour charge equipment".)

Further, KYEPCO may change the start time of charging for such five-hour charge equipment by two hours if the circumstances at KYEPCO's supply facilities so require. However, the duration charging shall not be extended or shortened.

(D) In the cases described in (A), (B) and (C) above, the energy consumption measured using the watt-hour meter installed on the power line on which KYEPCO cuts off the power supply shall be deemed to have been consumed during nighttime.

9. Others

(1) For other items, the provisions for Residential Lighting C of the Rules and Rates and those provided below shall apply.

(A) KYEPCO shall determine the net charge for prompt payment by per-diem calculation according to 28 (Per-Diem Calculation) of the Rules and Rates. However, per-diem calculation for energy consumption blocks during daytime for the purpose of billing and per-diem calculation for the amount of the discount for eight-hour charge equipment and for five-hour charge equipment shall be based on Schedule 5 (Basic Formulas for Per-Diem Calculation for Energy Consumption Blocks during Daytime for Billing Purposes and Other Items).

(B) The items stipulated in 41 (Supply Restriction or Interruption Discount) of the Rules and

Rates shall conform to the provisions for Residential Lighting B.

(2) Any particulars necessary for the implementation of the Lighting by Time-of-Use shall be as set forth in II (Particulars upon Implementation).

II. PARTICULARS UPON IMPLEMENTATION

1. Application

The "customer whose load may be shifted from daytime to nighttime" refers to customers utilizing electric appliances with hours of use that can be changed based on their purposes and excludes customers utilizing street lights, billboards or lamps of common use in apartment complexes.

2. Contract Capacity

(1) If KYEPCO's current limiter is installed upon the customer's request, the contract capacity shall be based on the rated current of such current limiter and calculated using the formula:

$$\text{Input (kVA)} = \text{Rated current of the current limiter (A)} \times 100\text{V} \times \frac{1}{1{,}000}$$

Further, "current limiter" shall refer to those described in (1) (C) (b) and (2) (C) (b) of 17 (Residential Lighting Service) of the Rules and Rates.

(2) If the customer utilizes nighttime thermal storage equipment and KYEPCO's current limiter is installed upon the customer's request on appliances other than those of the nighttime thermal storage type, the value of (2) (A) of 5 (Contract Capacity) of the Main Provisions shall be calculated pursuant to (1) above.

3. Handling of Nighttime Thermal Storage Equipment and Other Items

(1) Nighttime Thermal Storage Equipment

(A) Nighttime thermal storage equipment shall refer to hot water storage-type electric water heaters and thermal storage-type electric heaters that satisfy the provisions of Schedule 1 (Nighttime Thermal Storage Equipment).

(B) The "function of charging mainly during nighttime" in (1) of Schedule 1 (Nighttime Thermal Storage Equipment) shall include the following:

(a) When the customer installs a device that limits the charge time of such equipment to nighttime, or

(b) In the case of (2) (A), (B) or (C) of 8 (Measurement of Energy Consumption) of the Main Provisions, when KYEPCO installs a device that interrupts the power supply to such equipment during any period other than nighttime.

(C) Whenever a customer installs, replaces or removes nighttime thermal storage equipment, the customer is required to inform KYEPCO to that effect.

(D) When KYEPCO confirms the functions of such nighttime thermal storage equipment set forth in Schedule 1 (Nighttime Thermal Storage Equipment), KYEPCO may request that the customer present documents, etc. to verify the functions of such equipment.

(2) Off-Peak Thermal-Storage Electric Water Heater

(A) Off-peak thermal-storage electric water heaters shall refer to hot water storage-type electric water heaters and those with hot water supply and floor heating functions that satisfy the provisions of Schedule 2 (Off-Peak Thermal-Storage Electric Water Heater(s)).

(B) Whenever a customer installs, replaces or removes off-peak thermal-storage electric water heaters, the customer is required to inform KYEPCO to that effect.

(C) When KYEPCO confirms the functions of such off-peak thermal-storage electric water heaters set forth in Schedule 2 (Off-Peak Thermal-Storage Electric Water Heater(s)), KYEPCO may request that the customer present documents, etc. to verify the functions of such equipment.

(3) Eight-Hour Charge Equipment

(A) Whenever a customer installs, replaces or removes eight-hour charge equipment, the customer is required to inform KYEPCO to that effect.

(B) When KYEPCO confirms the functions of such eight-hour charge equipment set forth in Schedule 3 (Eight-Hour Charge Equipment), KYEPCO may request that the customer verify the functions of such equipment.

(4) Discount for Eight-Hour Charge Equipment

(A) The provision of (1) (C) of 7 (Rates) of the Main Provisions shall not apply to nighttime thermal storage equipment to which (1) (D) of 7 (Rates) applies.

(B) If the rate changes due to installation, replacement or removal of eight-hour charge equipment or five-hour charge equipment, the amount of the discount for eight-hour charge equipment and for five-hour charge equipment shall be determined by per-diem calculation pursuant to Schedule 5 (Basic Formulas for Per-Diem Calculation for Energy Consumption Blocks during Daytime for Billing Purposes and Other Items).

(C) The amount of the discount for eight-hour charge equipment and for five-hour charge equipment during the supply suspension shall be determined by per-diem calculation pursuant to Schedule 5 (Basic Formulas for Per-Diem Calculation for Energy Consumption Blocks during Daytime for Billing Purposes and Other Items), assuming the "number of days for per-diem calculation" to be the number of days during such suspension.

In such case, the amount of the discount for eight-hour charge equipment and for five-hour charge equipment shall be based on the case where no electricity was consumed.

4. Measurement of Energy Consumption

(1) "Under special circumstances" shall refer to the separate measurement of energy consumption

upon customer's request due to unavoidable technical or economical reasons, such as the case where a customer who is receiving service under Residential Lighting of the Rules and Rates and Nighttime Power of the Selective Rules and Rates or Residential Lighting of the Rules and Rates and Nighttime Power II of the Selective Rules and Rates requests the contract category to be changed to the Selective Rules and Rates herein.

(2) Energy consumption for the respective time of use in the cases of (2) (A), (B) and (C) of 8 (Measurement of Energy Consumption) of the Main Provisions shall be the sum total of energy consumed in the respective time of use period measured for each watt-hour meter, according to (1) of 8 (Measurement of Energy Consumption) of the Main Provisions.

5. Others

(1) A device that cuts off power supply at any time other than nighttime shall be treated as a time switching device according to (1) of 56 (Installation of Meters and Other Items) of the Rules and Rates.

(2) Regarding the items set forth in VIII (Contribution to Construction Costs) of the Rules and Rates, if the contract capacity does not increase after additional contract load equipment is installed, it shall be handled as an increase of the contract capacity based on Residential Lighting C.

(3) The "number of days in the meter reading periods" or "calendar days" in Schedule 5 (Basic Formulas for Per-Diem Calculation for Energy Consumption Blocks during Daytime for Billing Purposes and Other Items) for cases of commencement of supply service or the termination of the electric service contract shall be as follows.

(A) Number of days in meter reading periods

(a) For commencing supply power, it shall be the number of days in the period beginning on the meter reading day of the meter reading area to which the customer belongs immediately before the supply commencement and ending on the day before the meter reading day immediately after such commencement.

(b) For terminating supply service, it shall be the number of days in the period beginning on the meter reading day of the meter reading area to which the customer belongs immediately before the supply termination and ending on the day before the day KYEPCO notifies the customer in advance as the next meter reading day.

(B) Calendar days

(a) For commencing supply service, it shall be the number of days in the month of the preset meter reading day (and shall correspond to the beginning of the meter reading period in which the commencement day is included) in the customer's meter reading area.

(b) For terminating supply service, it shall be number of days in the month of the preset meter reading day (and shall correspond to the beginning of the meter reading period in which the day before such termination is included) in the customer's meter reading area.

SUPPLEMENTARY PROVISIONS

1. Enforcement Date

The Lighting by Time-of-Use of the Selective Rules and Rates shall be implemented on and after April 1, 2007.

2. Special Measures for Lighting by Time-of-Use Customers (Eight-Hour Type)

The following rates and other supply conditions shall apply to customers who are, as of the effective date of the Lighting by Time-of-Use of the Selective Rules and Rates, receiving services with the application of the Supplementary Provision 2 (Special Measures for Lighting by Time-of-Use Customers (Eight-Hour Type)) for Lighting by Time-of-Use of the former Selective Rules and Rates (submitted on October 19, 2006, hereinafter referred to as "Former Selective Rules and Rates").

In the case where a customer newly utilizes electricity at the customer's premises with supply facilities subject to Supplementary Provision 2 (Special Measures for Lighting by Time-of-Use Customers (Eight-Hour Type)) of the former Selective Rules and Rates (and special circumstances so require, these special measures shall apply until an agreement is reached between the customer and KYEPCO regarding the change of contract category.

(1) Categories of Time-of-Use

The Time-of-Use shall be categorized as follows:

(A) Daytime

From 7:00 to 23:00 every day

(B) Nighttime

All periods of time other than daytime hours

(2) Rates

The rates applicable shall be the net charge for prompt payment when payment is made within the prompt payment period or the "net charge for late payment" when payment is made after the prompt payment period. However, in the case of (1) (A) of 27 (Billing) of the Rules and Rates, the net charge obtained by per-diem calculation pursuant to (5) (A) for a terminated contract shall be the net charge for prompt payment.

(A) Net charge for prompt payment

The net charge for prompt payment is the sum total of the demand charge and the energy charge. However, if the customer utilizes five-hour charge equipment or electric water heater(s) for which the time to start charging may be controlled as defined in (3) (A) (hereinafter referred to as "charge control-type electric water heater(s)"), the net charge for

prompt payment shall be the sum total of the demand charge and the energy charge minus the amount of the discount for five-hour charge equipment calculated according to (c) or the amount of the discount for charge control-type electric water heater(s) calculated according to (d). Further, if the average fuel price calculated pursuant to (1) (A) of Schedule 4 (Fuel Cost Adjustment) is lower than ¥18,300, the fuel cost adjustment amount as calculated pursuant to (1) (D) of Schedule 4 (Fuel Cost Adjustment) shall be subtracted from the energy charge. If the average fuel price calculated pursuant to (1) (A) of Schedule 4 (Fuel Cost Adjustment) is higher than ¥20,100, the fuel cost adjustment amount calculated pursuant to (1) (D) of Schedule 4 (Fuel Cost Adjustment) shall be added to the energy charge.

(a) Demand charge

As shown below, the demand charge per month is based on the contract capacity. However, if no electricity is consumed during the billing month, the amount shall be calculated at half the rate.

a. For the contract capacity of 6 kilovolt-amperes or less

Per contract	¥1,155.00

b. For the contract capacity of over 6 kilovolt-amperes

First 10 kilovolt-amperes per contract	¥1,575.00
Per kilovolt-ampere exceeding the above amount	¥283.50

(b) Energy charge

The energy charge shall be determined according to the energy consumption for the respective time of use during the billing month.

a. Daytime

Per kWh, up to the first 90 kWh	¥19.00
Per kWh, over the first 90 kWh up to 230 kWh	¥24.19
Per kWh, over 230 kWh	¥25.89

b. Nighttime

Per kWh	¥6.87

(c) Discount for five-hour charge equipment

The amount of the discount for five-hour charge equipment per month shall be determined as shown below. However, if no electricity is consumed during the billing month, the amount shall be calculated at half the rate.

Total (input) capacity of five-hour charge equipment, per	¥178.50

kilovolt-ampere	

The unit for the total (input) capacity of five-hour charge equipment shall be one (1) kilovolt-ampere. Fractions greater than half of one (1) kilovolt-ampere or more are rounded up; fractions less than half of one (1) kilovolt-ampere are disregarded.

(d) Discount for charge control-type electric water heater(s)

The amount of the discount for charge control-type electric water heater(s) per month shall be determined as shown below. However, if no electricity is consumed during the billing month, the amount shall be calculated at half the rate.

Total (input) capacity of charge control-type electric water heater(s), per kilovolt-ampere	¥147.00

The unit for the total (input) capacity of charge control-type electric water heater(s) shall be one (1) kilovolt-ampere. Fractions greater than half of one (1) kilovolt-ampere or more are rounded up; fractions less than half of one (1) kilovolt-ampere are disregarded.

(e) Minimum monthly charge

If the sum of the demand charge and energy charge determined according to (a) and (b) minus the amount of the discount for five-hour charge equipment or for charge control-type electric water heater(s) calculated according to (c) or (d), respectively, is lower than the amount given below, the net charge for prompt payment for the billing month shall be the following amount:

Per contract	¥420.00

(B) Net charge for late payment

The net charge for late payment shall be obtained by adding three (3) percent to the net charge for prompt payment.

(3) Charge Control-type Electric Water Heater(s)

(A) "Charge control-type electric water heater(s)" shall refer to eight-hour charge equipment satisfying the conditions in (a) or (b) below:

(a) The equipment has all of the following functions:

a. Detection of supply water temperature,

b. Calculation of calories necessary for heating the customer's desired amount of water to the desired temperature based on the detected supply water temperature in a. above;

c. Calculation of the charging time needed based on the calculation described in b. above; and

d. Scheduling of the start of charging so that charging ends when nighttime power usage hours end (or when charging time ends in the case of (2) (B) of 8 (Measurement of Energy Consumption) of the Main Provisions).

(b) Appliances similar to those listed in (a) and approved by KYEPCO.

(B) Whenever a customer installs, replaces or removes charge control-type electric water heater(s), the customer is required to inform KYEPCO.

(C) When KYEPCO confirms the functions of the charge control-type electric water heater(s) set forth in (A) above, KYEPCO may request that the customer verify the functions of such heater(s).

(4) Discount for Five-Hour Charge Equipment and Other Items

(A) The provision of (2) (A) (d) herein shall not apply to nighttime thermal storage equipment to which (2) (A) (c) applies.

(B) If the rate changes due to installation, replacement or removal of five-hour charge equipment or charge control-type electric water heater(s), the amount of the discount for five-hour charge equipment and for charge control-type electric water heater(s) shall be determined by per-diem calculation pursuant to (5) (A).

(C) If a customer installs or replaces charge control-type electric water heater(s), the amount of the discount for such heater(s) shall apply to the electric charges on and after the day KYEPCO confirmed that such appliances are, in fact, charge control-type electric water heater(s) upon the customer's notification.

(D) The amount of the discount for five-hour charge equipment and for charge control-type electric water heater(s) during the supply suspension shall be determined by per-diem calculation pursuant to (5) (A), assuming the "number of days for per-diem calculation" to be the number of days during such suspension.

In such case, the amount of the discount for five-hour charge equipment and for charge control-type electric water heater(s) shall be based on the case where no electricity was consumed.

(5) Others

(A) KYEPCO shall determine the net charge for prompt payment by per-diem calculation pursuant to 28 (Per-Diem Calculation) of the Rules and Rates. However, the per-diem calculation for energy consumption blocks during daytime for billing purposes and that for determining the amount of the discount for five-hour charge equipment or for charge control-type electric water heater(s) shall be as follows:

(a) Per-diem calculation for energy consumption blocks during daytime for billing purposes

Energy consumption subject to the first block rate =

$$90 \text{ kWh} \times \frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

"Energy consumption subject to the first block rate" refers to a portion of power or energy consumed during daytime to which the energy charge per kWh for the first 90 kWh applies.

Energy consumption subject to the second block rate =

$$140 \text{ kWh} \times \frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

"Energy consumption subject to the second block rate" refers to a portion of power or energy consumed during daytime to which the energy charge per kWh exceeding 90 kilowatt-hours and up to 230 kilowatt-hours applies.

(b) Per-diem calculation of the amount of the discount for five-hour charge equipment or for charge control-type electric water heater(s)

$$\text{Applicable discount rate per month} \times \frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

(c) If (1) (C) of 27 (Billing) of the Rules and Rates is applicable,

$$\frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

in (a) and (b) shall be replaced by

$$\frac{\text{Number of days for per-diem calculation}}{\text{Number of calendar days}}$$

(d) The unit for the energy consumption subject to the first block rate and second block rate, determined by per-diem calculation pursuant to (a), shall be one (1) kWh. Any fraction of 0.5 kWh or more shall be expressed as one (1) kWh, and any fraction less than 0.5 kWh shall be disregarded.

(e) The "number of days in the meter reading periods" and "number of calendar days" in (a), (b) and (c) for cases of commencement of supply service or termination of the electric service contract shall conform to (3) (A) and (B) of Particulars upon Implementation 5 (Others).

(B) For other items, the Main Provisions shall apply. However, “daytime” and “nighttime” in the Main Provisions shall refer to the Time-of-Use defined in (1) herein.

SCHEDULES

Schedule 1: Nighttime Thermal Storage Equipment

The nighttime thermal storage equipment shall be those that satisfy the following conditions.

(1) Equipment that has a function of charging mainly during nighttime, and

(2) Is used to store heat during the charging time referred to in (1) above.

Schedule 2: Off-Peak Thermal-Storage Electric Water Heater(s)

Off-peak thermal-storage electric water heater(s) shall refer to those which function for thermal storage mainly during hours of less power demand using a heat pump and for heating the customer's desired amount of water to the desired temperature to heat water or water and floor and those which are not categorized as nighttime thermal storage equipment.

Schedule 3: Eight-Hour Charge Equipment

The eight-hour charge equipment shall refer to either nighttime thermal storage equipment or off-peak thermal-storage electric water heater(s) satisfying the following conditions:

(1) Equipment that has the function of charging mainly from 23:00 to 7:00 every day. (The time to start charging may be changed by up to two (2) hours in the case of (2) (B) of 8 (Measurement of Energy Consumption) of the Main Provisions. However, the duration of charging shall not be extended or shortened.)

(2) It is used for thermal storage during the charging time referred to in (1) above.

Schedule 4: Fuel Cost Adjustment

(1) Calculation of Fuel Cost Adjustment Amount

(A) Average fuel price

The average fuel price per kiloliter converted to the crude oil equivalent shall be the value calculated by the formula below, based on the volume and price of import items in the customs clearance statistics. The average fuel price shall be represented in 100-yen units. Amounts of 50 yen or more will be expressed as 100 yen; amounts less than 50 yen will be disregarded.

Average fuel price = A $\times \alpha$ + B $\times \beta$ + C $\times \gamma$

A: Average price per kiloliter of crude oil for each quarter

B: Average price per ton of liquefied natural gas for each quarter

C: Average price per ton of coal for each quarter

α : 0.0593

β : 0.2701

γ : 0.7976

The unit for the average crude oil price per kiloliter, the average liquefied natural gas price per ton, and the average coal price per ton for each quarter shall be 1 yen. If the amount is 0.5 yen or more, it will be expressed as 1 yen; amounts less than 0.5 yen will be disregarded.

(B) Fuel cost adjustment rate

The fuel cost adjustment rate shall be the value calculated by the formulas below for each contract category (hereinafter referred to as the "basic rate") plus the sum equivalent of consumption and other taxes (the sum equivalent of the consumption tax as established by the Consumption Tax Law and the local consumption tax as established by the Local Tax Law). In this case, the unit for the sum equivalent of the consumption and other taxes shall be 0.01 yen. Any fraction of less than 0.01 yen shall be rounded up to 0.01 yen if the basic rate is calculated as in (a) below or disregarded if the basic rate is calculated based on (b) or (c) below.

The unit for the basic rate is 0.01 yen. Any fraction of 0.005 or more will be expressed as 1/100 yen; fractions less than 0.005 will be disregarded.

(a) If the average fuel price per kiloliter is lower than ¥18,300:

$$\text{Basic rate} = (¥19{,}200 - \text{Average fuel price}) \times \frac{\text{Base rate in (2)}}{1{,}000}$$

(b) If the average fuel price per kiloliter is higher than ¥20,100 and lower than ¥28,800:

$$\text{Basic rate} = (\text{Average fuel price} - ¥19{,}200) \times \frac{\text{Base rate in (2)}}{1{,}000}$$

(c) If the average fuel price per kiloliter is higher than ¥28,800, the said average fuel price shall be ¥28,800:

$$\text{Basic rate} = (¥28{,}800 - ¥19{,}200) \times \frac{\text{Base rate in (2)}}{1{,}000}$$

(C) Application of fuel cost adjustment rate

The fuel cost adjustment rate, as calculated using the average fuel price for each quarter, shall be applied to the electricity consumed during the fuel cost adjustment rate application period corresponding to such quarter.

Quarter	Fuel cost adjustment rate application period
January 1 to March 31 of each year	Period from the meter reading day of June through the day before the meter reading day of September of the same year
April 1 to June 30 of each year	Period from the meter reading day of September through the day before the meter reading day of December of the same year
July 1 to September 30 of each year	Period from the meter reading day of December through the day before the meter reading day of March of the following year
October 1 to December 31 of each year	Period from the meter reading day of March the following year through the day before the meter reading day of June of the same year

(D) Fuel cost adjustment amount

The fuel cost adjustment amount shall be determined by applying the fuel cost adjustment rate obtained according to (B) to the energy consumption of that month.

(2) Base Rate

The base rate shall be the value when the average fuel price fluctuates by ¥1,000, which is given below. The base rate shall be exclusive of the sum equivalent of the consumption and other taxes.

Per kWh	¥0.113

(3) Notification of Fuel Cost Adjustment Rate, etc.

KYEPCO shall place a notice at its offices concerning the average crude oil price per kiloliter, the average liquefied natural gas price per ton, and the average coal price per ton for each quarter referred to in (1) (A), as well as the fuel cost adjustment rate as obtained in (1) (B).

Schedule 5: Basic Formulas for Per-Diem Calculation for Energy Consumption Blocks During Daytime for Billing Purposes and Other Items

(1) Per-diem calculation for energy consumption blocks during daytime for billing purposes

Energy consumption subject to the first block rate =

$$80 \text{ kWh} \times \frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

Energy consumption subject to the first block rate refers to a portion of power or energy consumed during daytime to which the energy charge per kWh for the first 80 kWh applies.

Energy consumption pertaining to the second block rate =

$$120 \text{ kWh} \times \frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

Energy consumption subject to the second block rate refers to a portion of power or energy consumed during daytime (to which the energy charge per kWh exceeding 80 kilowatt-hours and up to 200 kilowatt-hours applies.

(2) Per-diem calculation of the amount of the discount for eight-hour charge equipment or for five-hour charge equipment

$$\text{Applicable discount rate per month} \times \frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

(3) If (1) (C) of 27 (Billing) of the Rules and Rates is applicable,

$$\frac{\text{Number of days for per-diem calculation}}{\text{Number of days in meter reading period}}$$

in (1) and (2) shall be replaced by

$$\frac{\text{Number of days for per-diem calculation}}{\text{Number of calendar days}}$$

(4) The unit for the power or energy consumption subject to first block rate and second block rate, determined by per-diem calculation pursuant to (1), shall be one (1) kWh. Any fraction of 0.5kWh or more shall be expressed as one (1) kWh, and any fraction less than 0.5kWh shall be disregarded.