



July 29, 2008

Revision of Electricity Rates

Tohoku Electric Power Co., Ltd. (the “Company”) has today notified the Minister of Economy, Trade and Industry to revise its “Covenants for Electricity Supply” to the effect that the electricity rates for our customers who use regulated voltage shall be revised effective as of September 1, 2008.

Although the Company revised its electricity rates in July 2006, the fuel cost burden has been significantly increasing due to abrupt fuel price hikes since then. As for facility-related costs, facility structures were enhanced to ensure security and stable supply, while thorough efforts for further efficiency were made across all the aspects of costs.

Given such significant changes in the assumptions for rate calculation, we will revise the electricity rates.

In the course of revision of the electricity rate, the Company reviewed overall costs, reflecting recent fuel prices, and possible future efforts toward efficiency improvements. The principal issues relating to the rate changes are as described below:

- Revised electricity rate applicable to September will maintain the level prior to the revision, to which fuel cost adjustment was added.
- The fuel cost adjustment will not be implemented for the electricity rate from October to December 2008.

While the management environment surrounding the Company has become more and more challenging, the Company is taking a decisive stance to continue to make its utmost efforts to further improve operating efficiency in the future, pursuing our customers’ trust and choice.