

September 30, 2004

## **Opening of the Kumagaya-Sano pipeline for natural gas transportation ESTABLISHMENT OF AN INTEGRATED SUPPLY SYSTEM EXTENDING TO THE UTSUNOMIYA BRANCH OF TOKYO GAS**

Corporate Communications Dept.  
Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. recently completed construction of the Kumagaya-Sano trunk gas pipeline (the pipeline has a total length of about 41.8 km and links the city of Kumagaya in Saitama Prefecture with that of Sano in Tochigi Prefecture). We initiated construction of the pipeline in 1999 for the purpose of assuring the stability of supply to our Utsunomiya branch and coping with the burgeoning demand increase in our service area. Upon the opening of this pipeline, our Utsunomiya branch are going to make a switch from the current domestically produced natural gas to city gas made from liquefied natural gas (LNG) that we import for its supply of gas.

### **Background and course of construction**

We at Tokyo Gas have built up a pipeline network for natural gas transportation to assure a stable supply of gas into the long term while addressing the increased demand for city gas and expansion of the city gas service area. In October 2001, we completed construction of the Northern Saitama trunk pipeline, which consists mainly of a high-pressure loop trunk pipeline and extends northward (linking the cities of Kawaguchi and Kumagaya in Saitama Prefecture).

Thus far, our Utsunomiya branch has been supplied with domestically produced natural gas purchased from the Ryomo Gas Utility Cooperative beginning in 1977. Recent years have seen a surging demand for gas, mainly among industrial customers as well as in the commercial and air conditioning segments, in the branch service area and districts on its periphery. To meet this demand and assure supply stability, we embarked on construction of the Kumagaya-Sano pipeline by extending the Northern Saitama pipeline further northward and linking it to the (existing) Utsunomiya pipeline. Upon the completion of this construction, our Sodegaura LNG terminal will be linked by pipeline to our Utsunomiya branch, which consequently will be supplied with city gas made from LNG feedstock.

We at Tokyo Gas shall continue to promote construction of the Tochigi line and Chuo pipeline, for example, with the aim of further expanding our network of transportation pipelines.

## Outline of the pipeline

	Kumagaya-Sano pipeline	
Route name	Kamino governor station (Kumagaya, Saitama Prefecture) to Sano governor station (Sano, Tochigi Prefecture)	Sano governor station (Sano, Tochigi Prefecture) to Inubushi branch station (Sano, Tochigi Prefecture)
Maximum use pressure	7MPa	1.77MPa
Extended length	38.9km	2.9km
	Total 41.8km	
Diameter	400mm	
Start of construction	January, 1999	
Commencement of supply	September 30, 2004	
Total construction cost	About 15 billion yen	

## Outline of the Utsunomiya branch of Tokyo Gas

Location:	4-2-16 Higashi Shukugo, Utsunomiya, Tochigi Prefecture
Service area:	Utsunomiya and part of Kaminokawamachi
Number of customers:	50,667 (as of March 31, 2004)
Yearly gas sales volume:	47.035 million m <sup>3</sup> (actual figure for FY2003)
	Residential: 17.248 million m <sup>3</sup>
	Commercial: 22.815 million m <sup>3</sup>
	Industrial: 6.972 million m <sup>3</sup>