

From: [Haslam, David GCPE:EX](#)
To: [MacLaren, Les EMPR:EX](#)
Subject: Fwd: Industrial Rate
Date: Friday, March 23, 2018 4:43:49 PM
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Sent from my iPhone

Begin forwarded message:

From: "Palmer, Vaughn" <vpalmer@postmedia.com>
Date: March 23, 2018 at 1:13:34 PM PDT
To: "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>
Subject: Re: Industrial Rate

Thank you for the clarification.

I recognize that this is controversial because of cases like Catalyst. I also recognize that the Americans will squawk about subsidies whatever appears in Canadian media, never mind the cheap power deals they themselves have cut with BMW (Moses Lake Washington), Google (the Dalles Oregon) and the silicon refinery (Pend Oreille)

Still the standard industrial rate is much less than the rate that most British Columbians pay so I don't see that it is all that misleading to use a synonym for "less than the usual rate."

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From: , "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>
Date: Friday, March 23, 2018 at 1:09 PM
To: "Vaughn (Vancouver Sun) Palmer" <VPalmer@postmedia.com>
Cc: "Dalal, Suntanu GCPE:EX" <Suntanu.Dalal@gov.bc.ca>

Subject: Industrial Rate

I noted in your column this morning, that you wrote: "And LNG terminals, like other major resource projects, will be able to access B.C. Hydro's discounted-for-industry rate for electricity." I'd like to clarify the industrial rate for you. Hope this is helpful: BC Hydro's rates for each customer type reflect the cost of service. Industrial rates are lower than residential rates, because residential customers are more spread out, requiring a larger network of wires and facilities like substations to serve homes across the province. Industrial customers cover the costs of their connection to the system and this connection requires less infrastructure.

BC Hydro's Fully Allocated Cost of Service Study, filed with the BCUC earlier this month, shows that industrial rates cover 98.8% of the costs of providing service to those customers. The BCUC is generally satisfied if rates for a customer class fall within a band of 95% to 105% of the cost of service.