

Rate History

Revised October 2017

- 1945 In 1945 and 1946 the rates were reduced by shortening the high cost energy blocks prior to the end rate.
- 1964 In January 1964 Salem Electric increased its retail rates 4%, the first rate increase in the history of the Cooperative. The increase was due to rising costs, rapid growth, and an anticipated increase in the cost of wholesale power purchased from Bonneville Power Administration.
- 1965 In December 1965 BPA raised its wholesale rates to Salem Electric by 17%.
- 1974 In July 1974 Salem Electric increased its rates an average of 25% in anticipation of an increase of approximately 27% in the cost of purchased power from BPA. The new rates averaged out at just over one cent per KWH. Subsequently, in December 1974, BPA announced a 30% increase in the wholesale cost of power.
- 1978 In January 1978 Salem Electric increased its retail rates 40%. The increase was to provide funds for a rapidly growing distribution system, and to reduce the need for additional borrowing.
- 1979 In December of 1979 Salem Electric increased its retail rates 32% and a minimum charge was implemented. This was necessary to cover the 81% increase in wholesale power costs implemented by the Bonneville Power Administration in December 1979.
- 1981 In July 1981 Salem Electric increased its retail rates 25% on average also affecting the minimum charge. The increase was due entirely to a 58% increase in wholesale costs from the Bonneville Power Administration. Salem Electric was advised by BPA that substantial wholesale rate increases could be expected in 1982.
- 1982 In October 1982 Bonneville announced a 60% increase in their wholesale power rates. This resulted in a 33% increase in retail rates by Salem Electric. The minimum charge was increased and also included the first 200 kWh. The sole purpose of Salem Electric's increase was to cover the Bonneville rate increase.
- 1983 In October 1983 Salem Electric raised its retail rates 21% in preparation for the Bonneville Power Administration's 22.3% wholesale rate increase in November. For the first time, the Board appointed a Rate Advisory Committee, from the membership, to make recommendations regarding the increase. Their three-month study resulted in a proposed rate design that was adopted by the Board. The residential minimum charge was reduced, renamed a facilities charge, and it no longer included any kWhs.
- 1985 In July 1985 BPA increased its wholesale rate .9%. This minimal increase enabled Salem Electric to advise the members that the same level of service could be maintained without a retail rate increase throughout 1985 and 1986.

- 1987 In September 1987 Salem Electric increased its retail rates 6%, the first rate increase in four years. The increase resulted from two actions taken by the Bonneville Power Administration; an increase of 5.8% in their rates and a severe reduction in funds for residential weatherization. The Board authorized increases to cover BPA's rate increase and to replace the conservation funding that had been cut. The facilities charge was renamed basic charge.
- 1991 In September 1991 Salem Electric increased its retail rates 8.5% which also applied to the basic charge. The increase was due to an increase of 2.5% in wholesale power costs from the Bonneville Power Administration, and included, for the first time since 1983, a portion to meet Salem Electric's growing cost of doing business. The new rates included, for the first time ever, a special "off-peak" rate for Salem Electric's commercial members and a Schedule 7 for New Large Single Loads.
- 1993 In September 1993 Salem Electric increased its retail rates 10.3%. The purpose of the Salem Electric rate increase was to cover costs resulting from the BPA increase of 15.8% in wholesale power costs in October.
- 1995 In September 1995 Salem Electric increased its retail rates 7.4% and the basic charge was also increased. Of this, 2.6% was due to a 4% increase in wholesale rates by BPA and 4.8% was to cover SE's costs.
- 1997 In January 1997 Salem Electric decreased its retail rates 4.4%. BPA's 12.3% wholesale rate decrease would have resulted in a 7.4% retail rate decrease but was offset by SE 2% increase to cover SE conservation programs costs and 1% to cover the costs of anticipated SE operations over the next five years. The new rate included an adjusted schedule with summer rates running May 1 through July 31, and winter rates from August 1 through April 30.
- 1999 In May 1999 Salem Electric increased its retail rates 3.5% due to the purchase of 6.5 Mw of green power through the Foote Creek Rim wind power project in Wyoming. Effective July 1, the City of Salem increased its franchise fee by 1.5%, making the total fee 5%. The increase affects all Salem Electric members living within the Salem city limits.
- 2001 Effective February 1, 2001, the City of Keizer increased its franchise fee by 1.5%, making the total fee 5%. The increase affects all Salem Electric members living within the Keizer city limits.
- In October 2001 Salem Electric increased its retail rates an average of 27.2%. This was due to a 51.5% increase in wholesale power cost from BPA.
- 2002 In April 2002 BPA reduced its wholesale distribution rate 3.6%. In October BPA increased its wholesale distribution rate of 1.5%. SE did not change its retail rates.
- 2003 In April 2003 BPA increased its wholesale distribution rate 4.6%. In October BPA decreased its wholesale distribution rate 3.9%. SE did not change its retail rates.
- 2004 In April 2004 BPA increased its wholesale distribution rate 2.3%. In October BPA decreased its wholesale distribution rate 9.6%. SE did not change its retail rates.

- 2005 In April 2005 BPA increased its wholesale distribution rate 3.1%. In October BPA decreased its wholesale distribution rate 3.6% and increased its wholesale transmission rate 7.8%.
- 2006 In October 2006 Salem Electric increased its retail rates 15.3%. The rate increase affected the basic charge and all rate classes, including lighting. The increase was necessary to offset lower revenue due to the loss of a large industrial member (20% of SE's load), increasing operational costs and the cost of purchasing 1.8 mW of EPP from BPA. BPA decreased its wholesale power costs 6.6%. Rate structure changes include the elimination of both the inverted block rate for residential members and the summer/winter seasonal rate differential for general service members.
- 2008 In October 2008 BPA decreased its wholesale power costs 1.0%.
- 2009 In January Salem Electric decreased its retail rates an average of 5% as a result of credits Salem Electric is receiving from BPA and a reduction in capital needs. Rental light rates remained unchanged. In October BPA increased its wholesale power costs 6.5%.
- 2011 In October 2011 Salem Electric increased its retail rates an average of 10.8%. For the first time in many years, the rate increase affected the basic charge and all rate classes, including lighting. The increase was due to a BPA wholesale power cost increase of 8.4% and internal cost increases for administration, capital improvements and materials.
- 2013 In October 2013 Salem Electric increased its retail rates an average overall 3.8% including raising the basic charge (still the lowest basic charge throughout the Oregon electric utilities). The increase was in response to BPA's wholesale power cost increase of 8.49%.
- 2015 In October 2015 Salem Electric increased its retail rates an average overall 8.2% including raising the residential basic charge 25% from \$8 to \$10 (still one of the lowest basic charges throughout Oregon utilities). The increase was in response to BPA's wholesale power cost increase of 6.8% and internal cost increases for administration, capital improvements and materials.
- 2017 In October 2017 Salem Electric increased the residential basic charge 50% from \$10 to \$15. However, the residential kWh rate decreased 6.5% from 8.22¢ to 7.69¢ per kWh resulting in a revenue neutral rate schedule. The rates were adjusted in response to BPA's wholesale power cost increase of 4.26%, a cost of service analysis and a change in financial target.