



Time Differentiated Hours Use of Demand (TDHUD) is a new pilot pricing structure that uses pricing signals to encourage and compensate customers for shifting loads from high-cost periods (onpeak) to lower-cost periods (offpeak). Pricing signals are provided both by time of day and by season. The TDHUD structure is an optional pilot program, and distributors may offer it to their qualified commercial and industrial customers for a period of 12 months beginning no earlier than October 1, 2009, and no later than March 1, 2010.

What are the eligibility criteria for the optional TDHUD rates?

- Minimum contract demand greater than 1,000 kW at a single delivery point
- Interval meter set for 30 minutes or less
- Customers must be on, or be changed to, a calendar-month billing cycle.

How do TDHUD rates differ from standard firm rates?

Instead of flat demand and energy rates that are the same for all hours and months, TDHUD demand and energy rates vary by season and time of day. During onpeak periods, when the demand for electricity is highest, the price of electricity will be higher. Onpeak periods occur in the summer and winter. During offpeak periods, when the demand for electricity is the lowest, the price of electricity is considerably lower. Adjustments for Hours Use of Demand (energy usage per unit of peak demand) are applied to offpeak energy, providing additional incentives to use electricity during offpeak periods.

SEASONS	ONPEAK*	OFFPEAK
Summer (June – September)	M-F 1:00 – 7:00 pm Central	All other hours
Winter (December – March)	M-F 4:00 – 10:00 am Central	All other hours
Transition (April, May, October, November)	None	All hours
<i>*On weekends and on weekdays observed as federal holidays for New Year’s, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas, all hours are offpeak.</i>		

Supplemental programs

Customers’ existing agreements for supplemental programs such as 5 Minute Response (5 MR), 60 Minute Response (60 MR), Enhanced Growth Credit (EGC), etc., must be modified to function properly with TDHUD rates. As TDHUD includes manufacturing rate schedules, customers would not receive a Small Manufacturing Credit (SMC) while on TDHUD rates. There may be additional restrictions related to participation in other programs; please check with your local power company.

How can TDHUD benefit my company?

TDHUD may offer your company lower overall energy costs to the extent that your company can respond to price signals and shift usage (whether intra-day or seasonally) from high-cost periods to lower-cost periods. Although customers with the greatest amount of flexibility have the greatest opportunities, simple strategies such as energy conservation and planning for electric usage (e.g., when to take outages) can also produce overall cost reductions.

How do I apply?

Contact your local power company for more information on the optional TDHUD rates.