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April 11, 2011

Federal Trade Commission/Office of the Secretary
Room H-113 (Annex M)
600 Pennsylvania Avenue NW
Washington, DC 20580

Via Weblink: <https://ftcpublic.commentworks.com/ftc/riskbasedpricingamendnprm>.

RE: COMMENTS ON PROPOSED RULES.– FCRA RISK-BASED PRICING RULE AMMENDMENTS: PROJECT NO. R411009

Salt River Project Agricultural Improvement and Power District (SRP) provides electricity to approximately 950,000 customers in the Phoenix metropolitan area. SRP is a political subdivision of the State of Arizona and as such is a not-for-profit provider – our pricing is based on the cost to generate and distribute energy to our customers.

Previous rule making efforts have specifically called out the practice of basing utility deposits on consumer credit reports including credit scoring as 'adverse material terms'. It is important to note that utilities such as SRP do not base the actual energy charges on consumer credit reports. SRP respectfully suggests that this the definition of material terms be revised to exclude utility deposits.

SRP uses credit scoring to determine if the security deposit required by SRP Rules & Regulations may be waived.

SRP respectfully requests the Commission to exempt SRP and similarly situated public utilities from these rules as allowed in Section 615(h)(6)(B)(iii) .

- SRP has automated the technology between our CRA provider and our customer information system for efficiency. SRP does not capture the credit score used to determine deposit decision. Our customer service representatives only see the decision literal – i.e. "bill deposit" or "waive deposit".
- Updating our system to capture the credit score is onerous and costly. With limited budget SRP will have to divert funds from other consumer programs and projects that will have real economic and environmental benefit to our consumers.
- The timeframe to implement the changes is unreasonable. The proposed rules are anticipated to be effective July 2011. This is insufficient time to make the required changes to our systems to be in compliance and would require diverting IT resources from other projects such as solar and energy efficiency.
- The Commission's estimate of time for institutions covered by the regulation is unrealistic for SRP and other similarly situated public utilities. The 16 hour estimate is not applicable to SRP. A project of this magnitude would take 12 months to implement at a cost close to \$500,000.
- SRP currently is in compliance with the January 2010 rules using the H-6 form with the content as approved in January 2010.

Thank you for the opportunity to comment.

Sincerely,

Carisa Woolstenhulme
Credit Manager