



## kansasmunicipalutilities

August 29, 2008

### MEMORANDUM

TO: KMU Member Utilities

FROM: Colin Hansen, Executive Director

SUBJECT: New FTC Rules Requiring All Municipal Utilities  
to Adopt an Identity Theft Prevention Program

Last year, the Federal Trade Commission (FTC) released new rules requiring banks and other “creditors” to implement policies and procedures to protect personal information about their customers. These new “Red Flag Rules” require entities to develop and implement an “Identity Theft Prevention Program” by November 1, 2008.

Under the rule’s definition of “creditor,” utilities are directly mentioned. It is now the opinion of legal counsel across the U.S. that all municipal electric, natural gas, water & wastewater utilities will need to comply. A link to the 58 pages of Federal Register “Red Flag” regulations can be found on the KMU web site at [www.kmunet.org](http://www.kmunet.org).

**Unfortunately, this new regulation will apply to every member of Kansas Municipal Utilities.** As a member service, KMU has been working with its sister organizations in Wisconsin and Iowa to develop assistance for its members. As part of that effort, KMU is offering a series of five regional workshops on this new “Red Flag Rule.”

At the workshops, KMU will provide a template that will be used to develop an identity theft program for each city that attends. Workshop participants will be encouraged to bring along a laptop to the meeting at which a program will be drafted. Our goal is that everyone attending the workshop will have all the necessary documents in hand after the meeting to be in compliance with the new rule. KMU is charging a nominal fee of \$200 per city to recoup the costs incurred in developing this program. However, we believe the workshops and template is very cost effective for members in comparison to the time and resources that would need to be expended for each city to develop their program independently.

Enclosed is a one-page summary and registration materials for the upcoming KMU Red Flag Rule Workshops. I would encourage you to send one or more individuals to the workshop (*registration is charged by city, not by participant*) and implement the KMU-based template. Space is limited in each city, so please consider registering early.

We hope that this is a useful membership service provided to the cities and utilities that support and assist KMU. As always, please don’t hesitate to give me a call or drop me a line at [chansen@kmunet.org](mailto:chansen@kmunet.org) if you have any questions.