ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

1407 West North Temple, Suite 310
Salt Lake City, Utah 84116

November 26, 2025

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: Docket No. 25-035-61, In the Matter of the Request of Rocky Mountain Power for Approval of a Utah Fire Fund
Rocky Mountain Power's Notice of Creation of Utah Fire Fund and Request for Commission Approval

Rocky Mountain Power, a division of PacifiCorp ("Rocky Mountain Power" or "Company"), submits this notice to the Public Service Commission of Utah ("Commission"), pursuant to Utah Code §54-24-301(2)(a), of the creation of a Utah fire fund ("Fire Fund"). Rocky Mountain Power's request is accompanied by the direct testimony of five Company witnesses.

Confidential and highly confidential information has been uploaded to the Commission's SFTP site and is provided in accordance with Commission Rule R746-1-602 and 603.

Please direct informal questions to Max Backlund, Utah Regulatory Affairs Manager, at max.backlund@pacificorp.com.

Sincerely,

Jana Saba
Director, Regulation and Regulatory Operations

Enclosures

CERTIFICATE OF SERVICE

Docket No. 25-035-61

I hereby certify that on November 26, 2025, a true and correct copy of the foregoing was served by electronic mail to the following:

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Request of Rocky Mountain Power for Approval of a Utah Fire Fund	))))))	Docket No. 25-035-61

ROCKY MOUNTAIN POWER'S NOTICE OF CREATION OF UTAH FIRE FUND AND REQUEST FOR COMMISSION APPROVAL

Rocky Mountain Power, a division of PacifiCorp ("Rocky Mountain Power" or "Company"), submits this notice to the Public Service Commission of Utah ("Commission"), pursuant to Utah Code §54-24-301(2)(a), of the creation of a Utah fire fund ("Fire Fund"). Rocky Mountain Power requests the Commission approve its request to create a Fire Fund consistent with the proposal set forth in this notice ("Notice") and in the testimony supporting it that is filed concurrently with this Notice. The Company's establishment of a Utah Fire Fund is authorized by Utah Code §§54-24-301 and 302, and is subject to Commission approval, as provided in Utah

Code §54-24-301(4). The Company files this Notice as a request for Commission action, pursuant to Utah Code §63G-4-201(1)(b) and Utah Administrative Code R746-1-104.

In support of this Notice and request to create a Utah Fire Fund, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves over 1 million customers in Utah. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 310, Salt Lake City, UT 84116.

3. Communications regarding this filing should be addressed to:

By email (preferred): max.backlund@pacificorp.com
utahdockets@pacificorp.com
carla.scarsella@pacificorp.com

By mail: Max Backlund
Utah Regulatory Affairs Manager
Rocky Mountain Power
1407 West North Temple, Suite 310
Salt Lake City, Utah 84116
Telephone: (801) 220-3121

In addition, Rocky Mountain Power requests that all data requests regarding this Notice be sent in Microsoft Word or plain text format to the following:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Informal questions may be directed to Max Backlund, Utah Regulatory Affairs Manager, at max.backlund@pacificorp.com.

I. INTRODUCTION

In the 2024 Utah Legislative Session, the Legislature passed Senate Bill ("SB") 224, the "Energy Independence Amendments."[1] Part 3 of SB 224, entitled "Utah Fire Fund," included new statutory provisions addressing the impact of increasing wildland fire liability risk on Utah electric utilities.[2] When it enacted SB 224, the Legislature included in Utah law limits on damages recoverable from electric utilities for fire claims.[3] In addition, the legislation "allows a large-scale electric utility to create a Utah fire fund to supplement other insurance for making certain fire damage payments."[4] As the Commission recently noted, the "Utah legislation [is] designed to mitigate the financial consequences of wildfire liabilities for Utah entities like RMP."[5]

The statute provides that a Fire Fund "shall consist of a reasonable and prudent fire surcharge that a … utility may charge to [its] customers, as approved by the [C]ommission in a rate case to be collected over a 10-year period from the date of the [C]ommission's approval of a Utah fire fund."[6] The Fire Fund statute establishes a limit on the amount of funding derived from

[1] SB 224, Energy Independence Amendments, 2024 General Session (2024).
[2] The Fire Fund provisions were codified at Utah Code, Title 54, Chapter 24, Part 3 (§§54-24-301 – 303).
[3] *See* Utah Code § 54-24-303 (Section 11 of SB 224).
[4] SB 224, Energy Independence Amendments, 2024 General Session, Enrolled Copy, at 1 (summary of Highlighted Provisions). Utah law defines a "large-scale electric utility" as "a public utility that provides retail electric service to more than 200,000 retail customers in the state." Utah Code 54-2-1(20) (2025). Rocky Mountain Power serves over 200,000 retail customers in Utah and thus qualifies as an eligible "large-scale electric utility."
[5] *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations,* Docket Nos. 24-035-04, *et al.*, Order at 23 (Apr. 25, 2025).
[6] Utah Code §54-24-24-301(3)(a).

the fire surcharge. Utah Code §54-24-302(3) provides that the surcharge "shall terminate on the earliest of"[7] either:

- Ten years after the effective date of the surcharge approved by the Commission when the Fire Fund is established;
- The date on which the amount in the Fire Fund equals fifty percent (50%) of the Company's "revenue requirement established in [its] most recently approved general rate case"[8]; or
- The date on which the Commission "determines, on the [C]ommission's own motion, that the surcharge should terminate, regardless of the current balance in the Utah fire fund."[9]

The statute authorizes a "large-scale electric utility," a category that includes the Company,[10] to "create a Utah fire fund by filing notice with the Commission,"[11] and provides standards for Commission approval of a utility's request to create a Fire Fund. The statute directs that the Commission "shall approve a … utility's request to create a Utah fire fund … if the utility demonstrates to the [C]ommission's satisfaction":

> (a) that the fund:
>
> (i) is in the public interest;
>
> (ii) supports the financial health of the large-scale electric utility; and
>
> (iii) maintains or improves the large-scale electric utility's ability to deliver safe and reliable services.
>
> (b) that the fire surcharge does not result in an increase over current rates:
>
> (i) for all customers, more than 4.95%; and
>
> (ii) for an average residential customer more than $3.70 a month.[12]

[7] Utah Code §54-24-302(3).
[8] Utah Code §54-24-302(3)(b).
[9] Utah Code §54-24-302(3)(c).
[10] Utah law defines a "large-scale electric utility" as "a public utility that provides retail electric service to more than 200,000 retail customers in the state." Utah Code §54-2-1(20) (2025). Rocky Mountain Power serves over 200,000 retail customers in Utah and thus qualifies as an eligible "large-scale electric utility."
[11] Utah Code §54-24-301(2)(a).
[12] Utah Code §54-24-301(4)(a) – (b).

II. ROCKY MOUNTAIN POWER'S FIRE FUND PROPOSAL

The Company has structured its Utah Fire Fund proposal consistently with the purpose and requirements of state law. The proposal recognizes that a Fire Fund is to "serve as a resource to supplement other forms of insurance,"[13] not as a replacement for insurance. The proposed Fire Fund is based on the assumption that the Company will continue to acquire commercial excess liability insurance ("ELI"), or develop a self-insurance program, that provides coverage for third party liability risks in Utah, including the risk of wildland fires in the state. The Fire Fund, by contrast, will be available to pay an eligible fire claim, as defined by the statute,[14] that "exceeds the large-scale utility's applicable insurance coverage, including self-insurance."[15] The Fire Fund does not replace ELI, but provides a source of liquidity if a catastrophic wildland fire event results in liabilities beyond what a reasonable amount of insurance could cover.

In support of this filing to initiate the Fire Fund at the requested surcharge funding level, the Company utilized an actuarial study and other data on wildland fire risk in Utah using both public sources and independent analyses developed by the Company. The Company's analysis is detailed in the testimony of its witnesses that is filed together with this Notice. The proposed surcharge is a 4.48 percent increase for each class, which will collect approximately $109 million per year. The surcharge will total $3.70 per month for an average residential customer. After the surcharge has been collected for ten years, as provided in the statute, the Fire Fund would include approximately $1,090 million of funds available to manage liabilities associated with catastrophic fire events in Utah that are not otherwise covered by insurance. The basis for that overall coverage

[13] Utah Code §54-24-301(1)(e).
[14] *See* Utah Code §54-24-301(1)(a) (statutory definitions of "eligible payment" and "fire claim").
[15] Utah Code §54-24-301(1)(a)(i).

amount for an extraordinary wildland fire event or fire season is provided in the testimony of Company witness Marshall Nadel.

The proposed surcharge complies with the statutory limits on the surcharge amount and size of the Fire Fund. The Fire Fund statute provides that the surcharge must not result in "an increase in current rates" for all of the Company's Utah customers of more than 4.95 percent and, for "an average residential customer more than $3.70 a month."[16] As discussed in the testimony of Company witness Kenneth Lee Elder, Jr., the proposed surcharge would result in an increase for all Utah customers of 4.48 percent, and $3.70 per month for the average residential customer during the surcharge collection period. The proposed Fire Fund collection would be approximately $1,090 over the ten-year collection period. This amount is below the upper limit of the amount the surcharge may collect for the Fire Fund. The statute sets the upper limit at fifty percent (50 percent) of the Company's "revenue requirement established in [its] most recently approved general rate case."[17] Based on the Company's revenue requirement established earlier in 2025 by the Commission's final order in Docket No. 24-035-04, *et al.*, the fifty percent figure would equal $1.22 billion.[18] The Company proposes that the Fire Fund be re-evaluated in five years as described in the testimony of Company witness Joelle R. Steward.

The Fire Fund statute includes specific requirements for how the Company will account for, invest, and report on the assets in a Fire Fund.[19] Rocky Mountain Power is prepared to comply with each of the statutory requirements immediately upon Commission approval of the Fire Fund.

[16] Utah Code §54-24-301(4)(b)(ii).
[17] Utah Code §54-24-302(3)(b).
[18] *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations,* Docket Nos. 24-035-04, *et al.*, Order, Exhibit B – Pricing, page 7 (Apr. 25, 2025), as revised by the Order Granting Partial Reconsideration, Notice that Request for Reconsideration is in All Other Respects Denied and Full Order Will Follow (June 26, 2025).
[19] *See* Utah Code §54-24-302(1)(a) – (f).

The testimony of Company witness Nikki L. Kobliha identifies the steps the Company plans to take to meet each of the statute's requirements for Fire Fund administration.

The Company files this Notice and request for approval of a Fire Fund as a request for Commission action, pursuant to Utah Code §63G-4-201(1)(b) and Utah Administrative Code R746-1-104. SB 224 authorizes funding for a utility Fire Fund from "a reasonable and prudent fire surcharge" that a utility may charge its customers, "as approved by the commission in a rate case."[24] The statute provides that a utility "may create the fire fund by filing notice with the Commission,"[25] and that Commission approval shall be based on the criteria stated in Utah Code §54-24-301(4).

The fire surcharge approved by the Commission will not result in "charges included in a public utility's generally applicable rate tariffs,"[26] and does not constitute a fare, rate, rental, toll, or "other charge generally applicable to a public utility's tariff."[27] The proceeds from the fire surcharge will be held in a "separate investment account designated as the Utah fire fund."[28] The Fire Fund statute requires that the Company "identify the Utah fire fund investment account as restricted in the large-scale electric utility's financial statements, with an offsetting regulatory liability owed back to customers in the event the funds are not fully utilized."[29] The funds collected by the fire surcharge may not be used by the Company for any purpose other than to pay eligible fire claims, as defined in the Fire Fund statute.

III. THE COMPANY'S PROPOSAL SATISFIES THE STATUTORY CRITERIA FOR COMMISSION APPROVAL OF A UTAH FIRE FUND

The Utah Legislature approved the purpose of, and framework for, a Fire Fund in statute. The state law directs how the surcharge supporting a Fire Fund is to be calculated and collected, the purposes for which a Fire Fund may be used, and how the fund will be administered by the utility establishing a Fire Fund. When a utility proposes to create a Fire Fund, the statute requires

that the Commission approve the proposal before it can become operational. The criteria for Commission review and approval are set forth in the Fire Fund statute, and call for specific findings by the Commission, namely, that the proposed Fire Fund: (1) "is in the public interest"[20]; (2) "supports the financial health of the large-scale electric utility"[21]; (3) "maintains or improves the large-scale electric utility's ability to deliver safe and reliable services"[22]; and (4) that the surcharge does not exceed defined maximum amounts.[23] The Company's testimony addresses how the proposed Fire Fund meets each of the statutory criteria for Commission approval.

A. The proposed Fire Fund is in the public interest.

The Company's proposal is consistent with the Legislature's direction on the purpose, size, and administration of a Fire Fund. The fund will supplement the Company's insurance if there is a catastrophic wildfire liability event. The availability of the Fire Fund supports customers and the state of Utah generally by fostering the financial stability of the Company so it can deploy capital to effectively serve customers. Massive claims on utility assets arising from wildfire liability could compromise the Company's ability to expand infrastructure to meet current customer needs and expected load growth in Utah. Establishing a Fire Fund to manage such risks before they come to fruition is in the public interest.

In addition, the availability of the Fire Fund provides a backstop if fire claims exceed the Company's ELI coverage in the event of a catastrophic fire event. The assets in the Fire Fund provide the benefits of insurance (*i.e.,* funds earmarked to pay third-party liability claims), but does not require the annual payment of high insurance premiums necessary to support the coverage needed to manage an extraordinary liability event. The existence of the Fire Fund enables the

[20] Utah Code §54-24-301(4)(a)(i).
[21] Utah Code §54-24-301(4)(a)(ii).
[22] Utah Code §54-24-301(4)(a)(iii).
[23] Utah Code §54-24-301(4)(b)(i) – (ii).

Company to procure commercial insurance (or self-insure) to prudently cover risks at a higher probability of occurrence while reducing exposure to the risks associated with a catastrophic fire.

The public interest is also served by the Company's commitment to administer the Fire Fund in compliance with the standards set forth in the Fire Fund statute. The direct testimony of Company witness Nikki L. Kobliha delineates how the Company will comply with each of the statute's administrative requirements.

B. The proposed Fire Fund "supports the financial health"[24] of Rocky Mountain Power and "maintains or improve … [its] ability to deliver safe and reliable services."[25]

The increasing incidence and severity of wildland fire has put unprecedented financial pressure on electric utilities operating in Western states like Utah. In his testimony, Company witness Kevin Benson explains the increasing risk of a large wildfire event in Utah, and that the risk is unlikely to abate in the coming years. Utilities, like Rocky Mountain Power, must spend much more than the historical norm to obtain ELI coverage that includes wildfire risks.[26] At the same time, both prudent operations and regulatory requirements call for increased spending on wildland fire mitigation to address increasing risks. The financial pressures and liability risks posed by the possibility of major wildland fires have had a material impact on utility credit ratings. As discussed in the testimony of Company witness Joelle R. Steward, utilities have experienced nearly 100 credit downgrades since 2020, many of which were directly attributed to wildfire liability risk. The Company has experienced similar downgrades, most recently in November 2025, when Moody's Ratings and S&P Global downgraded PacifiCorp's credit ratings.

[24] Utah Code §54-24-301(4)(a)(ii).
[25] Utah Code §54-24-301(4)(a)(iii).
[26] The Commission recognized in the Company's most recent general rate case that even those Western utilities that "have not experienced catastrophic wildfire events" have seen ELI premium increases of 400 percent or more. Docket Nos. 24-035-04, *et al.,* Order, at 166, n.379 (April 25, 2025).

The Fire Fund provides a source of liquidity that the Company could use to manage catastrophic fire events. That additional source of liquidity will, by definition, support the financial health of the Company and its ability to respond to liabilities arising from major wildland fires. In addition, the creation of the Fire Fund is likely to be viewed as credit-positive for the Company. Improved credit ratings, in turn, would provide the Company with increased flexibility to deploy capital to maintain and improve the safety and reliability of services offered to Utah customers. Such financial flexibility is important to Utah customers as Rocky Mountain Power endeavors to mitigate wildland fire risk, maintain high quality service to existing customers, and expand electric infrastructure to meet load growth in Utah.

C. The proposed Fire Fund surcharge is within the limits required by statute.

As referenced in Section II above, the proposed Fire Fund the proposed surcharge would result in an increase for all Utah customers of 4.48 percent, and $3.70 a month for the average residential customer during the surcharge collection period. This is below the statutory limit of 4.95% for all customers.

IV. CONCLUSION

The amount of the proposed surcharge and the structure and purpose of the proposed Fire Fund meet the standards established in the Fire Fund statute. The testimony of Rocky Mountain Power's witnesses demonstrate that the proposed Fund satisfies the criteria for Commission approval set forth in Utah Code §54-24-301(4).

WHEREFORE, for the reasons stated, Rocky Mountain Power respectfully requests that the Commission approve its request to create a Utah Fire Fund.

DATED this 26th day of November, 2025.

Respectfully submitted,

ROCKY MOUNTAIN POWER

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