Rocky Mountain Power
Docket No. 25-035-61
Witness: Nikki L. Kobliha

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Nikki L. Kobliha

November 2025

I. INTRODUCTION AND QUALIFICATIONS

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Rocky Mountain Power the "Company").

A. My name is Nikki L. Kobliha, and my business address is 825 NE Multnomah Street, Suite 1900, Portland, Oregon 97232. I am currently employed as Senior Vice President and Chief Financial Officer for PacifiCorp.

Q. Please describe your education and professional experience.

A. I received a Bachelor of Business Administration with a concentration in Accounting from the University of Portland in 1994. I became a Certified Public Accountant in 1996. I joined PacifiCorp in 1997 and have taken on roles of increasing responsibility before being appointed Chief Financial Officer in 2015. I am responsible for all aspects of PacifiCorp's finance, accounting, income tax, internal audit, Securities and Exchange Commission reporting, treasury, credit risk management, pension, and other investment management activities.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your direct testimony?

A. My testimony supports Rocky Mountain Power's application to establish a Utah Fire Fund (the "Fire Fund"). Along with the testimony of Company witness Joelle R. Steward, my testimony demonstrates that the Fire Fund proposed by the Company would be administered in a manner consistent with the standards set forth in Utah Code §54-24-302. As part of my discussion of the administrative structure of the proposed Fire Fund, I also address how Rocky Mountain Power plans to establish a trust

mechanism for holding Fire Fund assets that will protect those assets in the event of a bankruptcy proceeding.

III. UTAH FIRE FUND

Q. How will the Utah Fire Fund be administered?

A. Once the Fire Fund is approved, Rocky Mountain Power will take the steps required by state law to maintain assets in the Fund, invest them within the limits identified in the Fire Fund statute, and establish the required record-keeping and reporting practices.

Q. What are the state law requirements for administration of a Fire Fund?

A. Utah Code §54-24-302(1) provides that "[u]pon creation of a Utah fire fund," the Company shall:

> (a) open a separate investment account designated as the Utah fire fund to hold all assets as described in Subsection 54-24-301(3) and designate the chief executive officer, chief financial officer, and other appropriate representatives as authorized by the board of directors of the utility as the account signatories;
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> (b) invest Utah fire fund assets collected under Subsection 54-24-301(3) only in accordance with Title 51, Chapter 7, State Money Management Act, with all investment returns remaining in the Utah fire fund and not allocated to other accounts of the large-scale electric utility;
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> (c) record all customer funds received into the large-scale electric utility's Utah fire fund account in a separate ledger account that reflects deposits, disbursements, assets, liabilities, equity, income, and expenditures related to the fund;
>
> (d) report all Utah fire fund account activity, including investment statements and ledger account reconciliations, to the commission annually, unless otherwise directed by commission order or regulation;
>
> (e) 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; and
>
> (f) maintain records of the assets, liabilities, equity, income, and expenditures of the large-scale electric utility's Utah fire fund.[1]

[1] Utah Code § 54-24-302(1)(a)-(f).

The Company is prepared to account for, invest, and report on assets in the Fire Fund in the manner directed by statute.

Q. Please describe how the Company will comply with Utah Code §54-24-302(1)(a), which establishes criteria for the accounts in which the Fire Fund is held.

A. The law requires the Company "open a separate investment account designated as the Utah Fire Fund."[2] This account will "hold all assets"[3] of the Fire Fund, including receipts from the surcharge established to build the fund and all interest or other investment earnings, net of fees and taxes on Fire Fund balances. To establish a separate investment account, the Company will engage a trust custodian and draft a master trust agreement between the trustee and the Company. The trust agreement will detail protections, authorizations, permitted corporate actions, and other applicable restrictions and terms. The agreement will delineate the expenditures the trustee is authorized to make from the fund under state law, including disbursements for claims payments, trust administration costs, and applicable taxes on trust earnings. The trust agreement will also include a policy that requires all investments of funds in the trust comply with the guidelines included in Utah Code §54-24-032.

The law directs the Company to "designate the chief executive officer, chief financial officer, and other appropriate representatives authorized by the board of directors of the utility as the account signatories."[4] To meet this requirement, when the Company opens the Fire Fund account, it will prepare the appropriate board resolutions to satisfy all requirements related to account signatories. The Company will ensure full

[2] Utah Code §54-24-302(1)(a).
[3] *Id.*
[4] *Id.*

compliance with applicable laws and its own board resolutions to satisfy all requirements related to account signatories in a manner consistent with the establishment of the fire fund trust.

Q. How will the Company meet the standards established in Utah Code §54-24-302(1)(b) for investing the assets collected from the Fire Fund surcharge in the separate investment account?

A. First, the Company will maintain segregation of the surcharge receipts and all investment earnings in the Fire Fund, to ensure those funds are "not allocated to other accounts"[5] held by the Company. Second, the Company will invest Fire Fund assets "only in accordance with Title 51, Chapter 7, State Money Management Act."[6]

The State Money Management Act includes a list of permissible investments. Rocky Mountain Power has reviewed the provision of the State Money Management Act that identifies "authorized deposits or investments of public funds."[7] I can confirm that, unless the Commission instructs otherwise when it approves the Fire Fund proposal, the Company will invest Fire Fund assets only in the types of investment vehicles listed in Utah Code §57-7-11(3). The Company's ability to adhere to established guidelines for investing Company funds demonstrates the Company's capability to maintain similar standards for compliance with the Fire Fund provisions in Utah law.

[5] Utah Code §54-24-302(1)(b).
[6] *Id.*
[7] Utah Code §54-7-11.

Q. How does the Company plan to comply with the accounting and record-keeping requirements in Utah Code §54-24-302(1)(c)?

A. In addition to the requirement to segregate the Fire Fund investment account, the Fire Fund statute requires that the Company "record all customer funds received into the large-scale electric utility's Utah fire fund account in a separate ledger account that reflects deposits, disbursements, assets, liabilities, equity, income, and expenditures related to the fund."[8] The Company will establish the accounting safeguards necessary to ensure the separate ledger account required by state law is established.

Q. How will the Company manage the requirement to annually report to the Commission all "all Utah fire fund account activity"[9]?

A. Rocky Mountain Power will have ready access to all the information that the Fire Fund law calls on it to report annually to the Commission. Company witness Steward provides the Company's proposal on what will be included in the annual report.

Q. How will the Company comply with the Fire Fund law's requirement that the Fire Fund investment account be treated as "restricted" and offset with a regulatory liability owed to customers in Company financial statements?

A. Utah Code §54-24-302(1)(e) requires that the Company identify the Utah Fire Fund investment account as "restricted in [its] financial statements, with an offsetting regulatory liability owed back to customers in the event the funds are not utilized."[10] The Company's financial statements currently include other restricted accounts, with one, for example, specifically designated for compliance with Utah's vendor retention

[8] Utah Code §54-24-302(1)(c).
[9] Utah Code §54-24-302(1)(d).
[10] Utah Code §54-24-302(1)(e).

requirements. The Company is prepared to ensure the Fire Fund account is restricted in the manner identified in the statute. Additionally, the Company maintains several regulatory liability accounts where it tracks funds owed to customers; these accounts are clearly named to reflect their purpose and reconciled at least quarterly. The Company intends to implement a similar structure for the Utah Fire Fund.

Q. Will Rocky Mountain Power "maintain records of the assets, liabilities, equity, income, and expenditures" of the Fire Fund, as required by §54-24-302(1)(f)?

A. Yes. All activity in the Fire Fund will be maintained by the Company, consistent with the investment limits, accounting safeguards, and reporting requirements delineated in the Fire Fund statute.

Q. Why is the trust structure important to maintaining the assets in the Fire Fund if the Company ever entered bankruptcy proceedings?

A. In the event of corporate bankruptcy, the Trustee would continue to manage the trust. The trust structure is designed to create sufficient separation between the Company's assets and the amounts in the Fire Fund that the Fire Fund would not be considered part of the bankruptcy estate.

Q. Does this conclude your direct testimony?

A. Yes.