

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

1 **I. INTRODUCTION AND QUALIFICATIONS**

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

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

7 **Q. Please describe your education and professional experience.**

8 A. I received a Bachelor of Business Administration with a concentration in Accounting
9 from the University of Portland in 1994. I became a Certified Public Accountant in
10 1996. I joined PacifiCorp in 1997 and have taken on roles of increasing responsibility
11 before being appointed Chief Financial Officer in 2015. I am responsible for all aspects
12 of PacifiCorp’s finance, accounting, income tax, internal audit, Securities and
13 Exchange Commission reporting, treasury, credit risk management, pension, and other
14 investment management activities.

15 **II. PURPOSE OF TESTIMONY**

16 **Q. What is the purpose of your direct testimony?**

17 A. My testimony supports Rocky Mountain Power’s application to establish a Utah Fire
18 Fund (the “Fire Fund”). Along with the testimony of Company witness Joelle R.
19 Steward, my testimony demonstrates that the Fire Fund proposed by the Company
20 would be administered in a manner consistent with the standards set forth in Utah Code
21 §54-24-302. As part of my discussion of the administrative structure of the proposed
22 Fire Fund, I also address how Rocky Mountain Power plans to establish a trust

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

25 **III. UTAH FIRE FUND**

26 **Q. How will the Utah Fire Fund be administered?**

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

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

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

33 (a) open a separate investment account designated as the Utah fire fund to hold all
34 assets as described in Subsection 54-24-301(3) and designate the chief executive
35 officer, chief financial officer, and other appropriate representatives as authorized
36 by the board of directors of the utility as the account signatories;

37 (b) invest Utah fire fund assets collected under Subsection 54-24-301(3) only in
38 accordance with Title 51, Chapter 7, State Money Management Act, with all
39 investment returns remaining in the Utah fire fund and not allocated to other
40 accounts of the large-scale electric utility;

41 (c) record all customer funds received into the large-scale electric utility's Utah fire
42 fund account in a separate ledger account that reflects deposits, disbursements,
43 assets, liabilities, equity, income, and expenditures related to the fund;

44 (d) report all Utah fire fund account activity, including investment statements and
45 ledger account reconciliations, to the commission annually, unless otherwise
46 directed by commission order or regulation;

47 (e) identify the Utah fire fund investment account as restricted in the large-scale electric
48 utility's financial statements, with an offsetting regulatory liability owed back to
49 customers in the event the funds are not fully utilized; and

50 (f) maintain records of the assets, liabilities, equity, income, and expenditures of the
51 large-scale electric utility's Utah fire fund.¹

¹ Utah Code § 54-24-302(1)(a)-(f).

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

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

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

68 The law directs the Company to “designate the chief executive officer, chief
69 financial officer, and other appropriate representatives authorized by the board of
70 directors of the utility as the account signatories.”⁴ To meet this requirement, when the
71 Company opens the Fire Fund account, it will prepare the appropriate board resolutions
72 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.*

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

76 **Q. How will the Company meet the standards established in Utah Code §54-24-**
77 **302(1)(b) for investing the assets collected from the Fire Fund surcharge in the**
78 **separate investment account?**

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

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

⁵ Utah Code §54-24-302(1)(b).

⁶ *Id.*

⁷ Utah Code §54-7-11.

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

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

100 **Q. How will the Company manage the requirement to annually report to the**
101 **Commission all “all Utah fire fund account activity”⁹?**

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

105 **Q. How will the Company comply with the Fire Fund law’s requirement that the Fire**
106 **Fund investment account be treated as “restricted” and offset with a regulatory**
107 **liability owed to customers in Company financial statements?**

108 A. Utah Code §54-24-302(1)(e) requires that the Company identify the Utah Fire Fund
109 investment account as “restricted in [its] financial statements, with an offsetting
110 regulatory liability owed back to customers in the event the funds are not utilized.”¹⁰
111 The Company’s financial statements currently include other restricted accounts, with
112 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).

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

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

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

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

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

129 **Q. Does this conclude your direct testimony?**

130 A. Yes.