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UTAH DEPARTMENT OF COMMERCE

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To: The Public Service Commission of Utah
From: The Office of Consumer Services
Michele Beck, Director
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Date: January 16, 2026

Subject: Docket 25-035-61

In the Matter of: Request of Rocky Mountain Power for Approval of a Utah Fire Fund

BACKGROUND

On November 26, 2025, Rocky Mountain Power (“RMP or Company”) filed with the Public Service Commission of Utah (“PSC or Commission”) a Notice of Creation of Utah Fire Fund and Request for Commission Approval (“Request”).

The purpose of RMP’s Request is to establish a Utah Fire Fund (“Fire Fund”) pursuant to Utah Code §54-24-301. As authorized by the statute, the Fire Fund would be financed by a customer surcharge to pay for wildfire liability claims that exceed the Company’s “insurance coverage, including self-insurance,”¹ and \$10 million in initial eligible claims financed with the Company’s own funds. The Fire Fund surcharge shall also not exceed 4.95% increase from current rates for all customers and an increase in rates of \$3.70 per month for an average residential customer. The Commission must approve the Request if RMP demonstrates that the Fire Fund is in the public interest, supports the utility’s financial health, and maintains or improves its ability to deliver safe and reliable service.

On December 17, 2025, the PSC issued a Request for Comments and Scheduling Order and Notice of Hearing (“Order”) establishing a schedule for testimony and hearing consistent with what certain parties had agreed to at the scheduling conference. In addition, the Order requested comments on three specific questions:

¹ Utah Code § 54-24-301(1)(a)(i). Specifically, section 54-24-301(1)(a)(i) defines “Eligible payment” as “an amount owed by a large-scale electric utility to a third party in the state that exceeds the large-scale electric utility’s applicable insurance coverage, including self-insurance.”

- (1) whether the PSC can approve the Fire Fund in the absence of information regarding the additional costs RMP will incur related to wildland fire liability risk and how those costs are to be allocated;
- (2) what additional kinds or categories of information, if any, are necessary to allow the PSC to make the statutorily required findings to approve the proposed Fire Fund; and
- (3) given the answers to the foregoing, whether the schedule and process established in this order will be sufficient for the PSC to reasonably and responsibly evaluate whether the statutory criteria are met and, if not, what changes to the process are necessary.

The PSC invited interested parties to submit comments on its questions and recommend potential changes to the process on or before January 16, 2026.

OCS ANALYSIS

Whether the PSC can Approve the Fire Fund Without Information on Additional Wildfire Liability Risk Costs and Allocations

The OCS acknowledges that there are significant deficiencies with the Request and shares the PSC's desire for a holistic view of wildfire liability costs. However, in the OCS's view, it may not be necessary to have the full details on other wildfire risk costs to review the Fire Fund itself. While other wildfire risk mitigation measures, such as commercial Excess Liability Insurance ("ELI"), other potential insurance products, and investments associated with the Wildfire Mitigation Plan ("WMP"), are relevant in evaluating the overall cost of wildfire risk management for Utah ratepayers, it is unclear to what extent the PSC needs to have this information to rule on the statutorily authorized Fire Fund. The OCS believes that these other wildfire risk components must be finalized in one or more separate proceedings, such as a General Rate Case ("GRC"). That said, if the PSC determines that this missing context is essential, it may be challenging to rule in favor of RMP's Request in this docket.

However, the OCS remains very concerned that the PSC cannot truly review the merits of the Fire Fund without understanding how RMP plans to allocate the broader costs and risks associated with wildfires. The Fire Fund is only paid for by Utah ratepayers and only covers wildfires that occur within the state borders; yet, RMP has not stated whether it would assign any costs or risks associated with fires that occur within Utah to ratepayers in other states. Further, the Company has also not indicated to what extent costs or risks of wildfires in other states will be assigned to Utah ratepayers. This lack of full context regarding the allocation of costs and risks will make it difficult to affirmatively find that the Utah Fire Fund is in the public interest.

Whether Certain Additional Information is Necessary to Allow the PSC to Approve the Fire Fund Based on the Statute.

While specific details on the costs and allocations of other wildfire risk measures may not be necessary to be finalized immediately, the OCS offers the following observations regarding each of the three statutory criteria in Utah Code §54-24-301(4).

- **Public Interest:** The OCS asserts that a finalized draft of the Trust Agreement must be reviewed and verified to ensure that the Fire Fund’s governance and disbursement mechanisms comply with Utah law. As previously noted, comprehensive details regarding other wildfire-related liability costs and allocations would provide important context on how the Fire Fund integrates into RMP’s broader risk mitigation strategy and whether the share of costs and risks assigned to Utah ratepayers is in the public interest.
- **Financial Health:** RMP addressed this issue in its filing and OCS has not to date identified additional necessary information for the PSC to review this element of the statutory requirements.
- **Maintains or improves the utility’s ability to deliver safe and reliable service:** The OCS does not yet take a position on whether RMP has provided adequate evidence on the relationship of the Fire Fund to safe and reliable service. However, we acknowledge the possibility that the PSC could find that the purported financial flexibility and access to capital markets as a result of the Fire Fund are insufficient proof of support for ‘safe and reliable’ service. Thus, the OCS recommends that the record would be improved if the Company augmented its testimony to include specific evidence linking the Fire Fund to physical grid safety and reliability.

Whether the Current Schedule and Process Established in the Order are Sufficient for the PSC to Evaluate Whether the Statutory Criteria Are Met.

The OCS believes that amending the schedule and process will not remedy the potential deficiencies on which the PSC invited comment, as some of the other wildfire risk elements would only be appropriate to bring forth in a GRC or separate proceeding, in which the PSC and stakeholders would have a broader context of total revenues and costs. Further, the OCS recommends that the PSC also evaluate the foundational question of whether the approval of the Fire Fund can only be approved within a GRC, given that Utah Code §54-24-301(3)(a) states that the Fire Fund surcharge may be approved by the Commission specifically in a rate case.²

² Utah Code §54-24-301(3)(a) states:
A Utah fire fund shall consist of:

However, if the Commission determines that the Fire Fund does not need to be reviewed and approved in a GRC proceeding, the OCS recommends that the PSC move forward with the current schedule and process as established in the Order. As stated above, relevant evidence and information will be addressed in other proceedings, which is a larger issue that cannot be remedied by simply extending the schedule in this docket. Thus, the OCS notes that the PSC may end up ruling that it cannot determine whether the public interest is met until after those related proceedings are completed.

RECOMMENDATION

The OCS first recommends that the PSC consider the foundational issue of whether a Utah Fire Fund can be approved outside of a rate case, pursuant to Utah Code §54-23-301(3)(a). Should the Commission deem it not necessary for the Fire Fund to be evaluated in a GRC, the OCS recommends that the PSC proceed with the current schedule and process as established in the Order. While the OCS acknowledges and shares the PSC's concern regarding the lack of detail on total wildfire liability costs and allocations, these complex issues likely need to be adjudicated in separate dockets.

However, to ensure that the Request meets the statutory criteria within this docket, the OCS recommends that the Company provide additional information, such as the final draft of the Trust Agreement verifying its structure, detailed and comprehensive wildfire risk cost allocations, and specific evidence supporting physical safety and reliability of the grid.

cc:

Service List

(a) a reasonable and prudent fire surcharge that a large-scale electric utility may charge to the large-scale electric utility customers, as approved by the commission in a **rate case**, to be collected over a 10-year period for the date of the commission's approval. (emphasis added).