

Effective 5/1/2024

54-24-301 Utah fire funds -- Creation -- Sources of funding.

- (1) As used in this part:
 - (a)
 - (i) "Eligible payment" means 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.
 - (ii) "Eligible payment" includes amounts owed as a result of:
 - (A) a settlement agreement resolving economic damages arising out of a fire claim; or
 - (B) economic damages awarded in a finally adjudicated fire claim.
 - (iii) "Eligible payment" does not include an amount for damages to infrastructure owned by a large-scale electric utility caused by a fire event.
 - (b) "Fire event" means any unplanned or uncontrolled fire in the state alleged to have been caused by an electrical corporation.
 - (c) "Fire claim" means any claim, whether based on negligence, nuisance, trespass, or any other claim for relief, brought by a non-governmental person against an electrical corporation in any civil action to recover for damage resulting from a fire event.
 - (d) "Inflation" means the seasonally adjusted Consumer Price Index for all urban consumers as published by the Bureau of Labor Statistics of the United States Department of Labor.
 - (e) "Utah fire fund" means a fund that may be created under this section by a large-scale electric utility to serve as a resource to supplement other forms of insurance to make eligible payments.
- (2)
 - (a) A large-scale electric utility may create a Utah fire fund by filing notice with the commission.
 - (b) The creation of a Utah fire fund under this section does not:
 - (i) establish an exclusive fund for payment of eligible claims; or
 - (ii) prohibit a large-scale electric utility from proposing, or the commission from approving, other mechanisms for third party liability coverage that are in the public interest.
- (3) A Utah fire fund shall consist of:
 - (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 from the date of the commission's approval of the Utah fire fund;
 - (b) investment income from money in the fund; and
 - (c) other amounts deposited into the fund as otherwise required by law.
- (4) The commission shall approve a large-scale electric utility's request to create a Utah fire fund for a large-scale electric utility if the large-scale electric utility demonstrates to the commission'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.

(5) Notwithstanding any other provision of law, a Utah fire fund created under this part may not be used for payments related to any fire or property damage claim originating or occurring outside of the state.

Enacted by Chapter 214, 2024 General Session