

MANITOBA ) Order No. 109/09  
 )  
THE PUBLIC UTILITIES BOARD ACT ) July 7, 2009  
 Revised to reflect  
 updated timetable

BEFORE: Eric Jorgensen, Acting Chairman  
Leonard Evans, LL.D., Member

PROCEDURAL ORDER - MANITOBA PUBLIC INSURANCE  
CORPORATION: TIMETABLE FOR A PUBLIC HEARING  
(2010/11 RATES AND PREMIUMS FOR COMPULSORY  
DRIVER AND VEHICLE INSURANCE) AND APPROVAL  
OF INTERVENERS

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**SUMMARY**

By this Order, the Public Utilities Board of Manitoba (Board) accepts interveners to the Board's public hearing of Manitoba Public Insurance Corporation's (MPI) application for approval of base rates and premiums for compulsory driver and vehicle insurance (the new rates are to take effect March 1, 2010).

This Order also provides interveners with direction pertaining to the proceeding, and establishes a timetable for the hearing.

**INTRODUCTION**

The Board held a Pre-Hearing Conference (PHC) at its offices in Winnipeg on Friday, June 26, 2009, for the purposes of:

- a) considering applications from prospective interveners and matters related thereto; and
- b) establishing a timetable for the hearing.

This Order arises from the PHC.

The following exhibits were entered into the record of the proceeding:

- a) Notice of Public Hearing and PHC, dated June 10, 2009;
- b) the Board's Rules of Practice and Procedure (Rules); and
- c) the hearing timetable.

Parties seeking Intervener status were asked to:

- i) indicate their constituency and interests;
- ii) outline the areas of MPI's application that they intended to test;
- iii) provide reasons for requesting Intervener status;
- iv) specify plans to call evidence/witnesses; and
- v) indicate interest with respect to seeking an award of costs, and, if interest is expressed, provide a draft budget.

The Board advised prospective interveners that it intends to apply the criteria set out in the Board's Rules in decisions with respect to the awarding of costs, such decisions being at the sole discretion of the Board.

The following parties applied for Intervener status:

1. Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors (CAC/MSOS), represented in person at the PHC by its counsel, Ms. Myfanwy Bowman;
2. Coalition of Manitoba Motorcycle Groups (CMMG), represented in person at the PHC by its counsel, Mr. Raymond Oakes;
3. Manitoba Bar Association (MBA) represented in person at the PHC by its counsel, Mr. Robert Dawson;
4. Manitoba Used Car Dealers Association (MUCDA), represented in person by Mr. Nick Roberts; and
5. Canadian Automobile Association Manitoba (CAA), represented in person at the PHC by Mr. Jerry Kruk.

MPI was represented by Ms. Marilyn McLaren (President and Chief Executive Officer), Ms. Kathy Kalinowsky (Counsel), and

Mr. Don Palmer (Vice-President of Finance and Chief Financial Officer).

**APPLICATIONS FOR INTERVENER STATUS**

**1. CAC/MSOS**

CAC/MSOS advised that its intended participation as an intervener would be comprehensive and address, among other things:

- a) the appropriate mechanism for setting the Rate Stabilization Reserve (RSR) and the appropriate target range for the RSR;
- b) issues of efficiency and cost control, including examining staff growth and information technology expenditures;
- c) Personal Injury Protection Plan (PIPP) benefits and expenditures, including the proposed enhanced PIPP benefits, claims control and service quality;
- d) road safety;
- e) forecasting (as it relates to revenue, including review of the Corporation's investment strategy, vehicle upgrade and volume factors, and expenses including claims development and PIPP);
- f) a new cost-allocation proposal;
- g) corporate initiatives and a review of the ongoing Business Process Review (BPR);

- h) issues related to International Financial Reporting Standards (IFRS); and
- i) Driver Safety Rating (DSR).

CAC/MSOS indicated that it intended to appear throughout the hearing, participate in the testing of evidence, and present final argument. CAC/MSOS also advised that it had yet to determine if it would call a witness, though it would engage expert consultation for preparation of interrogatories and for the cross-examination phase.

CAC/MSOS advised that while it will seek a cost award it would not be in a position to present a budget until it had an opportunity to complete its review of the application, which was filed in its entirety on June 24, 2009. CAC/MSOS indicated it would submit a budget by July 3, 2009.

## **2. MBA**

MBA indicated an intention to test the evidence, participate throughout the hearing, and make final submissions and argument.

MBA's indicated that its areas of interest are:

- a) PIPP Infrastructure Initiative;
- b) Whether MPI provides to victims of personal injury (arising out of the operation of motor vehicles) the benefits to which they are entitled;

- c) Follow-up on ancillary issues relating to the MBA's previous interventions; and
- d) Such additional topics that may arise during the course of the rate application (that are relevant to the interests advanced by the MBA and not already canvassed in full by other interveners).

MBA advised that it intended to collaborate and co-operate fully with CAC/MSOS, with a view to minimizing duplication and regulatory costs. MBA indicated an intention to seek a cost award, and provided an intervention budget of \$25,126.50 (while cautioning that this estimate may change when MBA has had opportunity to complete its review of the application).

### **3. CMMG**

CMMG reported its focus would be:

- a) rate methodology, including forecasting and
- b) rates.

CMMG reported that it would appear throughout the hearing, test the evidence and present final argument. CMMG indicated that it does not intend to call a witness.

CMMG advised of an intention to seek an award of costs, and submitted a provisional budget of \$20,160.00.

**4. MUCDA**

MUCDA advised that it had not had opportunity to complete its review of the application, and had yet to determine whether it will seek intervener status.

Subsequent to the PHC, MUCDA filed its intervener application, and advised that it will focus on rates pertaining to dealer plates. MUCDA will neither present a witness nor seek a cost award.

**5. CAA**

CAA reported its intention to maintain a "watching brief" throughout the hearing, and reserves the opportunity to make a closing argument. CAA advised that it would not apply for a cost award.

**MPI POSITION**

MPI accepted the granting of Intervener status to the applicants, while reserving the right to comment on cost award submissions following receipt of final estimates.

**BOARD COMMENTS**

The Acting Chairman delineated several matters of interest which the Board will address through the proceeding, these being:

1. Red light cameras and photo radar;

2. MPI's progress with respect to engaging increased police traffic enforcement;
3. The status of MPI's Investment policy;
4. The recent real estate purchase by MPI (including how the property investment portion should be evaluated);
5. Recent and significant enhancements to PIPP;
6. Other potential benefit changes;
7. Sustainable development initiatives, including Pay As You Drive, (PAYD) and promotion of efficient vehicle use;
8. Progress on discussions with the Sustainable Transportation Institute;
9. The Corporation's approach with respect to the buy-back of claims;
10. Benchmarks for measuring DSR success;
11. The treatment of new Manitobans under DSR;



12. Jurisdiction over the Corporation's non-Basic lines of business (Extension, Driver and Vehicle Licensing (DVL), Special Risk Extension (SRE));
13. The methodology to determine the appropriate range for the RSR;
14. The use of funds from Extension and SRE (to backstop the RSR);
15. The availability of financial information relating to Extension, DVL and SRE;
16. The implications and impacts of IFRS;
17. The cost allocation methodology utilized by MPI;
18. Funding for PIPP for inter-provincial trucking from SRE or other non-basic premium payers;
19. The implications of MPI's recent agreement with the Insurance Brokers' Association of Manitoba relating to the payment of commissions to brokers;
20. Transfers within households to avoid premium payments, which MPI is to address at the next GRA; and

21. A review of the balancing between the payment of Drivers licence and vehicle premiums (also to be addressed at the next GRA).

The Board notes that MPI's detailed application was not filed with participants until late June 24, 2009, and, therefore accepts as reasonable interveners' desire to reserve judgement on their cost submissions until later, while also accepting MPI's right to comment on those submissions following receipt.

The Board will grant intervener status to all applying parties.

Regulatory efficiency is a continuing objective for the Board, and all reasonable efforts should be made by all parties to the proceeding to restrain costs (in the interest of motorists; cost awards form a component of rates).

As in the past, the Board will expect a high degree of co-operation amongst interveners and with Board Counsel, again to avoid duplication and restrain regulatory costs.

**TIMETABLE**

After some discussion, consensus was reached on an altered timetable which accommodates the results of the lateness of the application.

MBA requested (with support from the other parties present) that sitting days for the hearing be set out in the timetable.

Two schedules are attached:

- a) Schedule A, being the established timetable; and
- b) Schedule B, being the procedures to be followed.

**IT IS THEREFORE ORDERED THAT:**

1. Schedule A, as attached, shall be the timetable for the orderly exchange of information by the participating parties.
2. Schedule B, as attached, shall apply with respect to the hearing of the MPI Application.
3. Interveners to the hearing, subject to the filing of updated budgets, shall be:
  - a) Canadian Automobile Association;
  - b) Coalition of Manitoba Motorcycles Groups Inc.;
  - c) Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors;
  - d) Manitoba Bar Association and
  - e) Manitoba Used Car Dealers Association.

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, C.A."

Chairman

"G. GAUDREAU, C.M.A."

Secretary

Certified a true copy of  
Order No. 109/09 issued by  
The Public Utilities Board

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Secretary

**MANITOBA PUBLIC INSURANCE  
APPROVED TIMETABLE - Revised  
2010 RATE APPLICATION**

ITEM	2009 DATES	DAY OF WEEK	ELAPSED WORKING DAYS
1. Application filed and served	June 18	Thursday	0
2. Notice of Public hearing to be published	June 20	Saturday	2
3a) Pre-hearing Conference	June 26	Friday	7
b) Interveners complete Registration	June 26	Friday	
c) Settle Hearing Procedure and exchange of information timetable	June 26	Friday	
d) Discuss possibility of joint intervention	June 26	Friday	
4a) Board to circulate list of Interveners, complete timetable to Interveners and applicant	July 6	Monday	12
b) Last day to file as an Intervener	July 6	Monday	
5. MPI to be in receipt of first round information requests	July 13	Monday	17
6. MPI to provide response to first round information requests	August 5	Wednesday	33
7. MPI to be in receipt of second round information requests	August 18	Tuesday	42
8. MPI to publish reminder notice and any amendments to application	August 29	Saturday	50
9a) MPI to file responses to second round information requests	September 2	Wednesday	54
b) MPI to file and serve any further amendments to application, if required	September 2	Wednesday	
10a) Interveners to file pre-filed testimony to all parties	September 9	Wednesday	57
b) Parties to file any motions	September 9	Wednesday	
11. Interveners to be in receipt of information requests from all parties	September 15	Tuesday	61
12. Board to hear all motions	September 18	Friday	64
13. Interveners to provide responses to all information requests	September 23	Wednesday	67
14. Board decision on motions, meeting among Counsel, if required	September 23	Wednesday	67
15. MPI to file rebuttal evidence	September 28	Monday	70
16. Hearing	October 5, 6, 7 October 13, 14, 15 October 26 November 2, 3	Mon,Tues,Wed Tues,Wed,Thurs Mon Mon, Tues	75

**SCHEDULE "B"**

**PROCEDURES TO BE FOLLOWED AT THE  
MANITOBA PUBLIC INSURANCE CORPORATION  
2010 RATE APPLICATION**

1. Hearing and Rural Meetings:
  - a) Winnipeg hearing will be held at the Board's office, 4<sup>th</sup> floor, 330 Portage Avenue, Winnipeg, commencing on October 5, 2009 at 9:00 a.m. and continuing thereafter as necessary.
  - b) Rural Meetings (if necessary) - time, location and place to be identified.
2. Hearing Times Each Day: 9:00 a.m. to 12:00 Noon  
1:15 p.m. to 4:00 p.m.  
(amendments may be made by the Board at the hearing)
3. Assigned Sittings: Presenters will be heard commencing at 1:15 p.m., Monday, October 5, 2009, and at 7:00 p.m. that day if necessary.
4. Opening Statements by Board Counsel, by Counsel for MPI and other Counsel or representatives of registered interveners.
5. (a) MPI to file their application and supporting evidence.  
  
(b) MPI to introduce witnesses. Board Counsel and interveners to cross-examine the Corporation's witnesses (order to be determined).

6. (a) Leading of testimony by witnesses for interveners, if any, will be in alphabetical order by name of interveners and updated as necessary.
- (b) Witnesses to be available for cross-examination by all parties following each presentation.
7. All interrogatories are to be filed and responded to using the prefixes as assigned by the Board when interveners are registered (set out in the body of the Order). The party requesting information is to use firstly their prefix followed by the prefix of the party being asked e.g. PUB/MPI, etc. Interrogatories are to be numbered sequentially through 1st and 2nd rounds, e.g. PUB/MPI 1-3, PUB/MPI 2-7.
8. All pre-filed evidentiary material to be filed at the commencement of the hearing by Board Counsel using assigned prefixes.
9. All witnesses to highlight their evidence.
10. All witnesses to be sworn or affirmed.
11. Daily transcripts will be available. Parties to make arrangements with the Reporter. Transcripts can be found at [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca) at no charge.
12. It is the Board's request that all motions be dealt with pursuant to the Board's Timetable.
13. The Board's Rules of Practice and Procedure (available on the Board's website) dealing with the Awarding of Costs will apply to all matters before the Board.
14. The Board indicates its willingness to be available for any problems that may arise during the exchange of information at any time, such time to be arranged through Board Counsel.
15. Seven (7) paper copies of material are to be submitted to the Board's offices and three (3) copies are to be submitted to Board Counsel at the following address:

Attention: Candace Everard, Pitblado, 2500 - 360 Main Street, Winnipeg, MB R3C 4H6

16. Electronic copies of all material including the evidence of parties, are required to be submitted to the Board's e-mail address: [publicutilities@gov.mb.ca](mailto:publicutilities@gov.mb.ca). Where schedules or other attachments accompany an electronic file, that filing must be discrete and include only the item and schedules to which each refers. The electronic files shall be named in accordance with their parties prefix as per #7. All electronic filings shall be in Adobe Acrobat format, with protection securities allowing printing, content copying, content copying for accessibility and page extraction.