

MANITOBA) Order No. 45/08
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THE PUBLIC UTILITIES BOARD ACT) April 15, 2008

BEFORE: Graham Lane, C.A., Chairman
Len Evans, B.A., M.A., LL.D., Member
Alain Molgat, B.Comm, C.M.A., Member

CONSUMERS' ASSOCIATION OF CANADA (MANITOBA) INC./
MANITOBA SOCIETY OF SENIORS:
AWARD OF COSTS FOR INTERVENING IN
THE APPLICATION OF
MANITOBA PUBLIC INSURANCE CORPORATION
FOR APPROVAL OF 2008-09 RATES AND FEES

Introduction

By this Order, the Public Utilities Board (Board) provides a cost award to the Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors (CAC/MSOS), with respect to CAC/MSOS's intervention in the Board's public hearing of Manitoba Public Insurance's (MPI) application for 2008/09 driver and motor vehicle insurance rates.

The hearing was held at the Board's Winnipeg office, and concluded on October 17, 2007.

Pursuant to Section 56 of *The Public Utilities Board Act*, the Board has jurisdiction to award costs, and the Board's Rules of Practice and Procedure (Rules) stipulate four criteria for determining whether costs should be awarded:

1. the applicant has to have made a significant contribution that was relevant and contributed to a better understanding by all parties of the issues before the Board;
2. the applicant would have participated in a responsible manner, and cooperated with other Interveners with common objectives in order to avoid a duplication of intervention;
3. the applicant would have insufficient financial resources to allow for its participation without a cost award; and
4. the applicant would have had a substantial interest in the outcome of the proceeding, and have represented the interests of a substantial number of MPI's ratepayers (policyholders).

In addition, the Board considers other matters related to a cost application, including the quantum of the claim, support for the underlying expenditures, hourly and per diem professional fee levels, and service hours.

Application

CAC/MSOS applied to the Board for an award of costs comprising:

Legal Costs:

Fees	\$20,655.00
Disbursements	1,055.35

Consulting Costs

Econalysis Consulting Services (Econalysis)

Fees	<u>25,068.75</u>
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Total Claim	<u>\$46,779.10</u>
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The application was submitted very late, on March 28, 2008, six months after the hearing concluded and well beyond the 30-day limit suggested in the Board's Rules. CAC/MSOS cited reasons for its overdue application, those being a busy regulatory schedule (which included representation at the Board's payday loan and Hydro hearings), staff shortages and delays in implementing a new information and management billing system. CAC/MSOS noted that MPI and the Board had been forewarned of the likely delay in submission of its application.

CAC/ MSOS' representation

CAC/MSOS noted that its proposed award is less than it estimated at the pre-hearing conference (between \$51,460 and \$72,160), and cited the following reasons for the reduction:

- i) the relatively short duration of the hearing; and

ii) some contentious issues were policy driven.

In support of its application, CAC/MSOS opined that its intervention had addressed matters of substantial interest and that it met the financial need and responsible and co-operative participation criteria set by the Board.

In representing the interests of its combined substantial membership, CAC/MSOS opined it had contributed to a better understanding of the issues by addressing, in particular, the following issues:

- a) cost control matters;
- b) ratemaking issues;
- c) benchmarking; and
- d) MPI's three-year rate setting process proposal

MPI's perspective

MPI indicated they had no objections to the application.

Board Findings

CAC/MSOS has met the criteria for an award as set out in the Board's Rules.

CAC/MSOS' sponsors had a substantial interest in the matters explored by the intervener in its intervention, and CAC/MSOS provided responsible and co-operative participation throughout the proceeding, making a substantial contribution and contributing to a better understanding of the matters that were before the Board.

The Board accepts CAC/MSOS' use of legal and consulting services for the hearing, and notes that Econalysis Consulting assisted the intervener in its analysis, preparation of Information Requests and briefs, and with CAC/MSOS counsel's preparation for cross-examination.

While the Board is concerned with CAC/MSOS repeated tardiness in submitting cost award applications, the Board understands the scope and breadth of the Public Interest Law Centre's recent involvements with Board proceedings and other matters, and accepts the intervener's assurance that changes are being introduced that should reduce such tardiness in the future.

Accordingly, the Board will accept CAC/MSOS' submission, with the understanding that CAC/MSOS will make every effort to submit future claims within the prescribed 30-day deadline.

IT IS THEREFORE ORDERED THAT:

1. Consumers' Association of Canada (Manitoba) Inc./
Manitoba Society of Seniors be awarded costs in the
amount of \$46,779.10; and
2. Costs shall be payable by the Manitoba Public Insurance
within 30 days of the date of this Order.

THE PUBLIC UTILITIES BOARD
"GRAHAM F. J. LANE, C.A."
Chairman

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

Certified a true copy of Order No.
45/08 issued by The Public Utilities
Board

Secretary