

**MANITOBA**

Order No. 64/15

**THE PUBLIC UTILITIES BOARD ACT**

**THE MANITOBA PUBLIC INSURANCE ACT**

**THE CROWN CORPORATIONS PUBLIC  
REVIEW AND ACCOUNTABILITY ACT**

July 2, 2015

Before:

Karen Botting, B.A., B.Ed., M.Ed., Acting Chair  
Régis Gosselin, B ès Arts, MBA, CGA., Chair  
Anita Neville, B.A. Hons., Member  
Susan Proven, P.H.Ec. Member  
Allan Morin, B.A., ICD.D., Member

**MANITOBA PUBLIC INSURANCE CORPORATION:**

**PROCEDURAL ORDER  
(2016/17 RATES AND PREMIUMS FOR COMPULSORY DRIVER AND VEHICLE INSURANCE)  
TIMETABLE FOR A PUBLIC HEARING, APPROVAL OF INTERVENERS  
and APPROVAL OF ISSUES**

## ***Summary***

By this Order, the Public Utilities Board of Manitoba (Board) accepts interveners to the Board's public hearing of the General Rate Application (GRA) of Manitoba Public Insurance Corporation (MPI or Corporation) for the review and approval of base rates and premiums for compulsory driver and vehicle insurance (the new rates are to take effect March 1, 2016). By this Order the Board also provides interveners with direction, establishes an issues list, and establishes a timetable pertaining to the proceeding.

## ***Introduction***

The Board held a Pre-Hearing Conference (PHC) at its offices in Winnipeg on Wednesday, June 24, 2015, for the purposes of:

- (a) considering applications from prospective interveners and matters related thereto;
- (b) considering the issues to be decided by the Board on the GRA; and
- (c) establishing a timetable for the hearing.

This Order arises from the PHC.

At the PHC, the following exhibits were entered into the record of this proceeding by Board counsel:

- 1. Notice of Public Hearing and PHC, dated June 12, 2015;
- 2. Board's Rules of Practice and Procedure (Rules);
- 3. Proposed hearing timetable; and
- 4. Letter issued by the Board Secretary to MPI and prospective interveners dated June 10, 2015.

At the PHC, the following exhibits were entered into the record of this proceeding by MPI:

- 1. GRA, three volumes; and
- 2. Letter issued by MPI to the Board and prospective interveners dated June 19, 2015.

In addition, parties seeking intervener status were asked to:

- (a) indicate their constituency and interests;
- (b) outline the areas of MPI's application that they intended to test;
- (c) provide their reasons for requesting Intervener status;
- (d) specify their plans to call evidence/witnesses; and
- (e) indicate their interest with respect to seeking an award of costs, and, if interest was expressed, to 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 within the GRA proceeding:

1. Consumers' Association of Canada (Manitoba) Inc. (CAC), represented in person at the PHC by counsel, Mr. Byron Williams;
2. Coalition of Manitoba Motorcycle Groups (CMMG), represented in person at the PHC by counsel, Mr. Raymond Oakes;
3. Canadian Automobile Association Manitoba (CAA), represented in person at the PHC by Ms. Liz Kulyk and Ms. Angele Young;
4. Bike Winnipeg (BW), represented in person at the PHC by counsel Mr. Michael Weinstein; and
5. Insurance Brokers Association of Manitoba (IBAM), not represented in person at the PHC.

At the PHC, MPI was represented by Ms. Kathy Kalinowsky, General Counsel and Corporate Secretary and Ms. Heather Reichert, Vice-President of Finance and Chief Financial Officer.

Prior to the PHC, on June 10, 2015, the Board issued a letter with respect to both the GRA generally, and certain new processes being implemented by the Board, including Minimum Filing Requirements to be followed by MPI, and the scheduling of an Application Overview Workshop, at which potential issues to be decided pursuant to the GRA were to be discussed

and identified. Prior to the Application Overview Workshop taking place on June 16, 2015, a preliminary issues list was circulated to MPI and all prospective interveners, as follows:

- requested rate (no overall rate change, no RSR rebuilding fee, no changes to other fees and discounts);
- financial forecast accuracy (forecast versus actual results);
- projected financial results;
- changes in cost allocation methodology;
- DCAT and the target RSR/total equity levels;
- the Asset Liability Management Study (ALM Study);
- performance of the investment portfolio and the content of the portfolio;
- the Investment Policy Statement;
- road safety, loss prevention and a review of related expenditures;
- the cost of operations and cost containment;
- BI3;
- benchmarking, including with respect to other provinces;
- interest rate forecasting methodology;
- the disposition of excess reserves in the Extension and SRE lines of business;
- new or enhanced services being developed or examined by MPI;
- alternate rate indications based on accepted actuarial practice in Canada;
- run-off of prior year claims during 2014/15;
- IT strategy and projects including the Physical Damage Re-engineering Project; and
- a variety of other issues that may arise.

## ***Applications for Intervener Status***

### **CAC**

CAC advised that it is a non-profit organization which represents the interests of private passenger vehicle owners and drivers in terms of seeking just and reasonable rates. With respect to the GRA, CAC intends to test the following aspects before the Board:

#### Are proposed rates just and reasonable?

- a) Reasonableness of Revenue Requirement

#### Reasonableness of forecasts

- reasonableness of forecast accuracy - are the various operating, capital, revenue, claims and investment income forecasts reasonable, justifiable and supported statistically?
- is the forecast of investment income reasonably reliable?
- reasonableness of forecast relating to physical, PIPP and comprehensive damage (assumptions and methodology including consideration of alternative tail factors (see recent Quebec developments) and reliability of mortality assumptions related to PIPP).
- developments in collision including development, if any, in IBNR.
- reliability of interest rate forecasts as they relate to revenues, claims and the ALM study.
- update on implications of vehicle design and technology including the effects, if any, of intelligent vehicle technology.

#### Prudence and reasonableness of current and projected costs and revenues

- reasonableness and sustainability of O, M and A (Operation, Maintenance and Administration) costs including consideration of recommendations of cost containment committee, wage settlements and consideration of staffing levels including consultants.
- status of service provider agreements including status of repair industry agreements.
- relation of pay to performance including performance bonuses, if any, for management and external consultants.

- implications of the Physical Damage Re-engineering project (PDR) for Basic costs and revenues including reasonableness and prudence of PDR, appropriate cost controls and appropriate metrics.
- implications of PDR and evolving Basic operations for the Corporation's physical plant.
- status of BI3 including identified challenges.
- reasonableness and prudence of other ongoing IT projects and expenditures including consideration of IT strategic plan.
- reasonableness of benchmarking framework.
- implications, if any, of the absence of the Gartner CIO Scorecard.
- road safety - implications of the Loss Prevention Review for just and reasonable rates for service including value for ratepayers and the implications for the economic and social costs of accidents.
- have costs been fairly allocated among basic, extension and SRE?
- implications of new and enhanced services, if any, for current and future ratepayer costs and risk.

Overall financial health of the Corporation including reasonable reserves

- what are the implications of the new Asset Liability Management Study for risk to the Corporation and to the DCAT analysis? Does the alleged reduction of risk outweigh the foregone opportunity cost?
- what are the implications of the new IPS and investment mix for risk to the Corporation and to the DCAT analysis? Does the alleged reduction of risk outweigh the foregone opportunity cost?
- issues, if any, related to the reliability of the DCAT analysis to be filed in July.
- policy considerations relating to the RSR including: purpose of the RSR, appropriate target range of the RSR, appropriate policy for RSR rebuilding or rebating including the role, if any, to be played by excess reserves on Extension and SRE side (ie should RSR rebuilding fees be sought in circumstances where ratepayers already have contributed to excess reserves in Extension and SRE).
- overall health of the Corporation.

b) Fair Allocation of Reasonable Costs and Among Ratepayers

Fair allocation of reasonable costs among groups and classes of ratepayers

- overall consideration of reasonableness of methodology - are the proposed rates by class and group reasonable and prudent?
  - ratemaking - calendar year versus accident year approach - what is the status of this and how do they differ?
- c) Are Proposed Rates Just and Reasonable?

Rates - Just and Reasonable

- do proposed rates appropriately reflect overall revenue requirement and appropriate allocation of costs between lines of business and between classes and groups of ratepayers?

In support of CAC's submissions regarding the proposed issues list, CAC referenced the following aspects of the Board's jurisdiction as stated in Board Order 98/14:

Pages 45 & 46 - Necessity and Prudency of Costs

As the interveners have argued, if the Board does not examine the necessity and prudency of the costs of MPI, the Board will, in effect, be rubber-stamping the GRA. MPI's expenses would have been accepted at face value and embedded within Basic rates without any regard to whether those expenses, and hence Basic Rates, are just and reasonable. This approach could give rise to unnecessary and/or imprudent expenses being embedded within Basic Rates, such that those rates would not be just and reasonable.

The Board cannot determine the appropriateness of Basic Rates without determining the appropriateness (necessity and prudency) of the costs embedded within those rates.

Page 48 - Road Safety and Loss Prevention

Road Safety and Loss Prevention costs have a dual impact upon Basic Rates; as both expenditures and a potential savings mechanism.

Page 49 - Cost Containment Initiatives

Similar to Road Safety and Loss Prevention expenditures, cost containment initiatives are undertaken with a view to reducing costs. As such, cost containment initiatives have a dual impact upon Basic Rates; as both expenditures and a potential savings mechanism. As such, the Board must be

provided with sufficient information relative to those initiatives to enable the Board to consider necessity and prudence of the expenditures and potential savings.

Page 52 - Investments and Investment Income

The Board recognizes that pursuant to the applicable legislation, it cannot direct MPI or the Department of Finance to invest in a particular asset class, or to buy or sell particular investments. The Board finds, however, that it can require the provision of information regarding MPI's investment portfolio in its assessment of determining just and reasonable Basic Rates. The Board must have regard to whether MPI's investment income forecasts are reasonably reliable and whether the reasonable revenue needs of Basic are met, in the context of the Corporation's overall financial health, and with regard to the volatility of the investment income which may be derived from MPI's large investment portfolio.



CAC submitted the following with respect to the proposed issues list:

Issue	In Scope	Qualified In Scope
Requested rate (no overall rate change, no RSR rebuilding fee, no changes to other fees and discounts)	√	
Financial forecast accuracy (forecast versus actual results)	√	
Projected financial results	√	
Changes in cost allocation methodology	√	
DCAT and the target RSR/total equity levels	√	
Asset Liability Management Study	√	<b>Relates to risk of basic, DCAT study, reasonable reserves and prudent practice – See also Order 98/14</b>
Performance of the investment portfolio and the content of the portfolio	√	<b>Relates to risk of basic, DCAT study, reasonable reserves and prudent practice – See also Order 98/14</b>
Investment Policy Statement	√	<b>Relates to risk of basic, DCAT study, reasonable reserves and prudent practice – See also Order 98/14</b>
Road safety, loss prevention and a review of related expenditures	√	<b>Relates to risks of corporation and to prudence and reasonableness of expenditures – See also Order 98/14</b>
Cost of Basic operations and cost containment	√	<b>Prudence and reasonableness of expenditures is a central element of s. 77 of PUB Act (just and reasonable rates) and s. 26(4) of CCPRAA – See also Order 98/14</b>
Claims forecasting (including B13)	√	
Benchmarking, including with respect to other provinces	√	

Issue	In Scope	Qualified In Scope
Interest rate forecasting methodology	√	
Disposition of excess reserves in the Extension and SRE lines of business		<p><u>√</u>should be qualified in scope but relates to RSR Rebuilding and Rebate policy as the availability of excess reserves may be a factor in the pace or necessity of rebuilding – See also Order 98/14</p>
New or enhanced Basic services being developed or examined by MPI	<u>√</u>	<p>May be relevant to risks for ratepayers and potential future costs – See also Order 98/14</p>
Alternate rate indications based on accepted actuarial practice in Canada	√	
Run-off of prior year claims during 2014/15	√	
IT strategy and projects including the Physical Damage Re-engineering Project	<u>√</u>	<p><b>Prudence and reasonableness of expenditures is a central element of s. 77 of PUB Act (just and reasonable rates) and s. 26(4) of CCPRAA – See also Order 98/14</b></p>
A variety of other issues that may arise	<u>√</u>	<p><u>√</u><b>Depends on the issue</b></p>

\*CAC Manitoba has used the format employed by MPI in its correspondence of June 19, 2015. Where CAC Manitoba has disagreed with the characterization by MPI of the appropriate treatment of the issue, it has underlined the check mark and **put its comments in bold.**

CAC Manitoba has prepared a preliminary list of issues it may wish to canvass as Attachment A.

CAC suggested that consideration be given to a technical conference on the DCAT and model, in August 2015, to reduce the number of Information Requests and cross-examination time during the hearing.

CAC advised that it intends to appear throughout the hearing, to participate in the production of evidence, to participate in the testing of evidence, and present final argument. CAC advised that it is considering calling an expert witness on the implication for risk and opportunity cost of the ALM Study and that it does not currently intend to file evidence on the DCAT but will not make a final decision until it reviews the DCAT report forthcoming from MPI.

CAC advised that it will seek a costs award, and provided an intervention budget in the amount of \$126,667.50, including legal fees, accounting consulting fees, actuarial consulting fees and disbursements.

Attached to this Order as **Schedule "A"** is the rate sheet by which Board counsel and counsel for the interveners shall have their rates set, according to years of seniority at the Bar.

### ***CMMG***

CMMG is an umbrella motorcycle group that assists motorcyclists in Manitoba, both in terms of legislative reform, applications before the Board dealing with MPI and various safety initiatives. CMMG membership includes riders of a variety of different styles of motorcycles.

CMMG advised that it intends to assist the Board in critically evaluating the GRA, testing the evidence and raising issues of concern and interest to the motorcycling public specifically and Manitoba rate payers generally.

CMMG states that although MPI is proposing a rate decrease for the motorcycle class, there has been tremendous variability in motorcycle rates over the last number of years, such that the reasonableness of rates is a live issue, as is reliability. CMMG also advised that it intends to address the ratemaking methodology, including the conservatism that CMMG believes has been inherent in MPI's treatment of motorcycle losses and rate requirements, with a view to providing a more stable rate for motorcyclists in Manitoba. CMMG advised that another of its primary concerns is road safety, on which it has worked and continues to work with MPI, though CMMG

intends to take the position that the Corporation can and should take a leading edge view in terms of insurers across the country, and adopt the latest research and initiatives relative to road safety.

With respect to loss prevention, CMMG stated that it is seeking more concrete initiatives to flow from the Corporation's review, and notes that as Basic ratepayers pay for road safety initiatives, it is hoping for claims costs savings as a result of effective road safety programs.

CMMG advised that it intends to appear throughout the hearing, to participate in the testing of evidence and to present final argument. CMMG will seek a costs award, and provided an intervention budget of \$28,276.00 before tax, inclusive of fees and disbursements.

### **CAA**

CAA continues to represent its membership of over 200,000 Manitobans, and intends to conduct a watching brief of the GRA, in order that it can report back to its members with respect to MPI related issues. CAA advised that its membership is vocal and engaged, and seeks advice from CAA with respect to a range of issues, including transportation, advocacy with government and other matters.

CAA advised that road safety is an issue that will be of particular interest to it this year, as well as loss prevention and cost containment.

CAA advised that it agreed with the preliminary issues list circulated by the Board, but agreed that there is a limitation to the Board's jurisdiction regarding the disposition of excess reserves in non-basic lines of business, as submitted by CAC.

CAA advised that its membership is surveyed quarterly with respect to transportation related matters, including road safety issues and matters regarding MPI, and as well CAA shares information with its sister organizations across Canada, and in the United States.

CAA advised that it does not intend to call any witnesses or present evidence at the GRA, nor will it seek an award of costs.

**BW**

BW is a not-for-profit organization which seeks to make cycling in Winnipeg safe, enjoyable, accessible and convenient. At present, BW has approximately 810 members, with an additional 1,000 members affiliated with BW online. BW advised that there are between 13,500 and 14,000 commuting cyclists in the Province of Manitoba, as well as 200,000 occasional cyclists. BW states that there are between 400,000 and 600,000 bicycles owned in Manitoba. BW states that its constituency extends to vulnerable road users, which include Manitobans generally, pedestrians and motorcyclists. BW seeks to intervene in the GRA to build upon its contribution at last year's GRA, and to assist the Board in critically evaluating the loss prevention and road safety issues before it.

BW stated that it intends to test the evidence and raise issues of concern and interest to all vulnerable road users, including:

- the optimum size of MPI's road safety budget and whether it is sufficient to enable a significant reduction in the costs to MPI of injuries to vulnerable road users (including but not limited to cyclists) in the short term and long term;
- the adequacy of MPI's road safety program regarding the fatal and severe injury of vulnerable road users (including but not limited to cyclists); and
- the quality and clarity of MPI's data collection, analysis and accessibility, regarding collisions involving vulnerable road users (including but not limited to cyclists), particularly in comparison to transportation safety programs from local, national and international entities and jurisdictions.

BW cited, in support of its application for intervention, comments made by the Board in Order 07/15, including that in the Board's view, BW made a significant contribution to last year's GRA process that was relevant to the decision making of the Board, and contributed to a better understanding of all parties of the issues before the Board. In particular, the Board ordered MPI to file within this GRA additional information including an independent review of the optimal size of the road safety budget, with a view to minimizing the economic and social costs of collisions, together with an independent review of the current road safety portfolio, with a view to

optimizing it relative to cost effectiveness and setting goals for outcomes and minimizing the economic and social costs of collisions.

BW advised that it intends to appear throughout the hearing, to test the evidence and make submissions, though BW does not intend to call on any witnesses. BW seeks costs in the range of \$14,330.00 to \$26,320.00, inclusive of legal fees and disbursements, and exclusive of applicable taxes.

### ***IBAM***

IBAM filed with the Board an Intervener Request Form which reflects that it represents the primary and almost sole distributors of MPI products and notes that approximately 33% of all insurance transactions done today in Manitoba by insurance brokers involve MPI. IBAM stated also that appropriate rate setting and the overall viability of MPI going forward is critical to IBAM's membership and to the citizens of Manitoba who are insurance consumers and customers of insurance brokers in Manitoba.

IBAM advised that it would appear throughout the hearing, participate in the production of evidence and the testing of evidence, and would present final argument. IBAM intends to call as a witness its Chief Executive Officer, Mr. David Schioler. IBAM is not seeking an award of costs.

### ***MPI Position***

MPI accepted the granting of Intervener status to all applicants.

With respect to the intervention of BW, however, MPI proposed that the scope of intervention be limited to the interests of cyclists, as opposed to the interests of all vulnerable road users as requested by BW. MPI questioned how BW can speak for all pedestrians or all Manitobans generally, particularly when there can be conflicting interests between cyclists and pedestrians versus motorists or others.

With respect to the preliminary issues list, MPI submitted that it agrees that the majority of the issues put forward by the Board are properly within the scope of the GRA process. MPI stated, however, that some of the issues are so broadly stated that particular elements within that issue

may be within the scope of the Board's jurisdiction, where other elements are not in scope. MPI characterized those issues as "Qualified In Scope". In addition, there was one issue which MPI submitted was outside the Board's jurisdiction, namely the issue of disposition of excess reserves in the Extension and SRE lines of business. The list put forward by MPI with respect to the issues was as follows:

<b>Issue</b>	<b>In Scope</b>	<b>Qualified In Scope</b>
requested rate (no overall rate change, no RSR rebuilding fee, no changes to other fees and discounts)	✓	
financial forecast accuracy (forecast versus actual results)	✓	
projected financial results	✓	
changes in cost allocation methodology	✓	
DCAT and the target RSR/total equity levels	✓	
Asset Liability Management Study		✓
performance of the investment portfolio and the content of the portfolio		✓
Investment Policy Statement		✓
road safety, loss prevention and a review of related expenditures		✓
cost of Basic operations and cost containment		✓
Claims forecasting (including BI3)	✓	
benchmarking, including with respect to other provinces	✓	
interest rate forecasting methodology	✓	
disposition of excess reserves in the Extension and SRE lines of business	X	
new or enhanced Basic services being developed or examined by MPI		✓
alternate rate indications based on accepted actuarial practice in Canada	✓	
run-off of prior year claims during 2014/15	✓	
IT strategy and projects including the Physical Damage Re-engineering Project		✓
a variety of other issues that may arise		✓

With respect to the issue of disposition of excess reserves and the extension of the SRE lines of business, MPI submitted that:

- The Board should assume that unless it is notified otherwise, no transfers will be made to the Basic line of business from Extension and Basic. The Extension and SRE lines of business and enquiries into the disposition of any excess reserves are beyond the jurisdiction of the Board. This has been argued in the past at the Court of Appeal, and the Corporation has not altered its position since then.
- Having said the above, the Corporation is supportive, when an RSR rebuilding increase is required, to make its intent known to the PUB as to whether a transfer of excess retained earnings to the Basic RSR will be made. This approach is consistent to what occurred during the hearings held in October 2014.

MPI suggested that in lieu of a technical conference on the DCAT and model, as suggested by CAC, the ongoing dialogue between MPI, CAC and the Board advisors should continue, perhaps without the involvement of legal counsel. In reply, CAC agreed that the dialogue should continue but suggested that counsel should attend, even if they did not contribute directly to the discussion.

### ***Board Comments and Decisions***

After considering all of the submissions with respect to intervener applications, the Board will grant intervener status to each of CAC, CMMG, CAA, IBAM and BW.

The scope of the intervention granted to BW is as follows:

To assist the Board in critically evaluating:

- the optimum size of MPI's road safety budget and whether it is sufficient to enable a signification reduction in the costs to MPI of injuries to vulnerable road users (including but not limited to cyclists) in the short and long term;
- the adequacy of MPI's road safety programs with respect to the fatal and severe injury of vulnerable road users (including but not limited to cyclists); and
- the quality and clarity of MPI's data collection, analysis and accessibility, regarding collisions involving vulnerable road users (including but not limited to cyclists), particularly in comparison to transportation safety programs from local, national and international entities and jurisdictions.



The Board accepts that BW has a unique perspective to bring to the GRA process, which is expected to be of benefit, and that its efforts with respect to the foregoing scope of intervention will not be duplicative. The Board recognizes that cycling is growing in popularity in Manitoba, that cyclists are at times pedestrians and that pedestrians are in general unrepresented in these proceedings. The Board accepts that BW is a party with an interest in the outcome of the GRA process, is ready to proceed and will not delay the proceedings. The Board will consider, however, the weight to be attributed to BW's submissions on behalf of pedestrians, in the context of BW's actual representation of that group.

As always, the Board expects a high degree of co-operation amongst all interveners and with Board Counsel to avoid duplication and restrain regulatory costs.

With respect to the issues list, the Board notes that its jurisdiction is reflected in legislation, which was discussed extensively in Order 98/14, and the Board continues to interpret and view the scope of its jurisdiction as reflected in that Order, both in general terms and as quoted by CAC above. In other words, the inclusion of a broad heading on an issues list within the GRA cannot alter the scope of the Board's jurisdiction as it exists. Subject to the existing scope of the Board's jurisdiction, therefore, as reflected in legislation, as stated in Order 98/14 and as submitted by CAC and referenced above, the Board has determined that the issues to be considered within the scope of the GRA are as follows:

- requested rate (no overall rate change, no RSR rebuilding fee, no changes to other fees and discounts);
- financial forecast accuracy (forecast versus actual results);
- projected financial results;
- changes in cost allocation methodology;
- DCAT and the target RSR/total equity levels;
- the Asset Liability Management Study;
- performance of the investment portfolio and the content of the portfolio;
- the Investment Policy Statement;

- road safety, loss prevention and a review of related expenditures;
- the cost of operations and cost containment;
- claims forecasting (including BI<sup>3</sup>);
- benchmarking, including with respect to other provinces;
- interest rate forecasting methodology;
- the disposition of excess reserves in the Extension and SRE lines of business. (Note: the Board's jurisdiction on this issue is limited to the relationship of these excess reserves to Basic retained earnings including RSR rebuilding and rebating);
- new or enhanced Basic services being developed or examined by MPI;
- alternate rate indications based on accepted actuarial practice in Canada;
- run-off of prior year claims during 2014/15;
- IT strategy and projects including the Physical Damage Re-engineering Project; and
- a variety of other issues that may arise (depending upon the nature and scope of the issue).

The Board agrees that the ongoing dialogue between MPI, CAC and the Board advisors relative to the DCAT and the model should continue, and that counsel for the respective parties may, if needed, attend those discussions. The Board states, however, that the availability of actuarial advisors should be given primary consideration for scheduling purposes.

### ***Timetable***

It was apparent at the PHC that a consensus was reached on the proposed timetable. The final version of the timetable is attached hereto as **Schedule "B"**. The Board has set as hearing dates with respect to the GRA: October 5 - 8, October 13 - 16, October 19 - 22, 2015 and October 26 - 29, 2015 (a total of 16 hearing days). It is the Board's expectation that many of these hearing dates will not be utilized, but all days were reserved to permit flexibility in scheduling, particularly with respect to any witnesses external to MPI.

Attached hereto as **Schedule "C"** are the procedures to be followed over the course of the GRA process, and attached hereto as **Schedule "D"** is the Information Request template to be utilized by all parties to the GRA. As provided for within the template, the party submitting an Information Request must reflect the rationale for the question. Similarly, and as also provided for within the template, should a full or partial answer be refused, the party refusing to answer or fully answer the question must reflect the rationale for the refusal.

**IT IS THEREFORE ORDERED THAT:**

1. Interveners to the hearing shall be:
  - (a) Consumers' Association of Canada (Manitoba) Inc.;
  - (b) Coalition of Manitoba Motorcycles Groups Inc.;
  - (c) Canadian Automobile Association (Manitoba);
  - (d) Bike Winnipeg (limited scope); and
  - (e) Insurance Brokers Association of Manitoba
  
2. Schedule "B", as attached, shall be the timetable for the orderly exchange of information by the participating parties.
  
3. Schedule "C", as attached, shall apply with respect to the hearing of the GRA.

THE PUBLIC UTILITIES BOARD

" Karen Botting, B.A., B.Ed., M.Ed."  
Acting Chair

Jennifer Dubois, CMA  
Acting Secretary

Certified a true copy of Order No. 64/15  
issued by The Public Utilities Board

\_\_\_\_\_  
Acting Secretary

**SCHEDULE "A"**  
**PUBLIC UTILITIES BOARD OF MANITOBA**  
**RATE STRUCTURE**

**Counsel**

- 20 or more years' experience - \$224.00/hour
- 10 to 20 years' experience - \$197.00/hour
- Associates – up to \$197/hour (subject to agreement)
- Understudies\* - \$141.00/hour

\* For the purpose of this schedule, understudies are professionals in training in anticipation of taking the lead role as the firm's advisor to the Board at some point in the relatively near future, subject to the Board's agreement.

**SCHEDULE "B"**

<b>ITEM</b>		<b>2015 DATES</b>	<b>DAY OF WEEK</b>
1.	Application filed and served	June 12	Friday
2.	Notice of Public hearing to be published	June 20	Saturday
3. a)	Pre-Hearing Conference	June 24	Wednesday
b)	Interveners complete Registration	June 22	Monday
c)	Last day to file as an Intervener	June 22	Monday
4.	Board to circulate list of Interveners, complete timetable to Interveners and applicant	July 3	Friday
5.	MPI to be in receipt of first round information requests	July 6	Monday
6.	MPI to provide response to first round information requests	July 31	Friday
7.	MPI to be in receipt of second round information requests	August 17	Monday
8.	MPI to publish reminder notice and any amendments to application	September 5	Saturday
9. a)	MPI to file responses to second round information requests	September 9	Wednesday
b)	MPI to file and serve any further amendments to application, if required	September 9	Wednesday

- |        |   |              |           |
|--------|---|--------------|-----------|
| 10. a) | Interveners to file pre-filed testimony to all parties                | September 16 | Wednesday |
| b)     | Parties to file any motions   | September 16 | Wednesday |
| 11.    | Interveners to be in receipt of information requests from all parties | September 21 | Monday    |
| 12.    | Board to hear all motions   | September 21 | Monday    |
| 13.    | Interveners to provide responses to all information requests          | September 24 | Thursday  |
| 14.    | Board decision on motions, meeting among Counsel, if required         | September 25 | Friday    |
| 15.    | MPI to file rebuttal evidence   | September 28 | Monday    |
| 16.    | Hearing commences   | October 5    | Monday    |

**SCHEDULE "C"**  
**PROCEDURES TO BE FOLLOWED AT THE**  
**MANITOBA PUBLIC INSURANCE CORPORATION**  
**2016 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, 2015 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, 2015 and at 7:00 p.m. that day if necessary.
4. Opening Statements by Board Counsel, by Counsel for MPI and 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 information requests are to be filed in the prescribed form (attached hereto as **Schedule "D"**) 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 Grammond, Pitblado LLP, 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.

**SCHEDULE "D"**

**INFORMATION REQUEST TEMPLATE**

Optional Applicant Logo

**Manitoba Public Insurance 2016/17 General Rate Application  
XXX/XXX-X-X**

<b>Volume:</b>		<b>Page No.:</b>	
<b>Topic:</b>			
<b>Subtopic:</b>			
<b>Issue:</b>			

**PREAMBLE TO IR (IF ANY):**

**QUESTION:**

**RATIONALE FOR QUESTION:**

**RESPONSE:**

**RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:**