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MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE  
2011/'12 RATE APPLICATION  
PRE-HEARING CONFERENCE

Before Board Panel:

- Graham Lane - Board Chairman
- Eric Jorgensen - Board Member
- Len Evans - Board Member

HELD AT:

Public Utilities Board  
400, 330 Portage Avenue  
Winnipeg, Manitoba  
June 25th, 2010

APPEARANCES

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Candace Everard ) Board Counsel

Kathy Kalinowsky ) Manitoba Public Insurance

Raymond Oakes ) CMMG

Myfanwy Bowman ) CAC/MSOS

Nick Roberts ) MUCDA

Liz Peters ) CAA

Jerry Kruk )

Robert Dawson ) CBA/MBA

Bill Arnold ) MMDA/ATA

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1	LIST OF EXHIBITS		
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4		Pre-Hearing Conference, dated	
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1 --- Upon commencing at 9:01 a.m.

2

3 THE CHAIRPERSON: Thank you Mr. Gaudreau.

4 Good morning, everyone. Welcome to the

5 Pre-Hearing Conference for the fall hearing of MPI's

6 2011/2012 Rate Application.

7 It's been forty (40) years since the

8 passage of 1970s Bill 56 which created MPI.

9 For the record, I am Graham Lane, Chairman

10 of the Public Utilities Board. Joining me today on the

11 panel are Board Members, Dr. Len Evans to my left, and

12 Mr. Eric Jorgensen to my right.

13 Also with us is Board counsel, Ms. Cand --

14 Ms. Candace Everard and Ms. Nicole Hamilton, Hollis

15 Singh, Associate Board Secretary, Gerry Gaudreau, Board

16 Secretary, and Roger Cathcart, Board Advisor.

17 Mr. Brian Pelly, the Board's Actuarial

18 Advisor, is not in attendance, but is involved in the

19 proceeding.

20 Manitoba Public Insurance is applying for

21 approval of 2011/'12 premiums and fees.

22 This Hearing will be conducted in

23 accordance with the provisions of the Crown Corporation

24 Public Review and Accountability Act, the Public

25 Utilities Board Act, and the Board's Rules of Practice

1 and Procedure. The latter, available on the Board's  
2 website for review. Please contact Mr. Singh if you have  
3 any questions concerning the Board's rules.

4 In its application, MPI proposes new  
5 premium rates to take effect on March the 1st, 2011.  
6 Those premiums to represent an overall 4 percent  
7 reduction from the rates that are currently in place. In  
8 addition, MPI proposes a rebate of 12.9 percent to be  
9 paid in its fiscal 2011/'12 year.

10 These are significant proposals to be  
11 thoroughly tested through the upcom -- coming proceeding,  
12 both as to their current merits, and for their future  
13 implications.

14 In addition, MPI will be called on,  
15 through the GRA process, to address a number of matters  
16 related to Basic rates. The Board looks forward to the  
17 Corp -- Corporation's co-operation to be displayed  
18 through full responses.

19 The matters at issue relate to the  
20 following, and these are neither in particular order, nor  
21 necessarily all conclusive -- in -- all-inclusive.  
22 Information regarding the international financial  
23 reporting standards, or commonly known as, IFRS,  
24 including the details of all accounting options,  
25 recommendations and comments received by MPI's external

1 of -- received from MPI's external con -- consultant,  
2 Deloitte, and any preliminary or final conclusions or  
3 comments from its external auditor, KPMG, relating to the  
4 Corporation's overall and Basic's operating results and  
5 financial position.

6           The analysis and rationale for each IRS  
7 related recommendation, and all options considered and an  
8 indication of the chosen, likely to be chosen, and/or  
9 rejected or likely to be rejected, recommend --  
10 recommended options.

11           A full listing of any elections that have  
12 been made, or are proposed to be made by MPI, even on a  
13 preliminary basis. The rationale and the pros and cons  
14 for each selection, and the financial accounting and rate  
15 implications for each taken, or potential accounting  
16 change, with respect to both transitional elections and  
17 accounting policies.

18           Also, the full details of both the revenue  
19 and cost, and asset and liability allocation  
20 methodologies, as utilized and/or under consideration by  
21 the Corporation, and details of the approaches taken for  
22 the Basic financial statements for the year ended, and as  
23 at the end of MPI's lask -- last fiscal year.

24           Actuarial and non-recurring adjustments  
25 done paid claims, prior and previous year-end and related

1 entries. The rationale, trend projections and  
2 implications for future applications.

3 We're also interested in PIPP bench  
4 marking, including information with respect to corporate  
5 efficiency, and detailed, interpretative discussions on  
6 bench marking results and/or indications.

7 The continuing business process review  
8 project is of interest, including the personal injury pro  
9 -- protection plan infrastructure project, with a full  
10 accounting of cost incurred and projected to be incurred,  
11 on behalf of attributable, and to be recovered from the  
12 Province of Manitoba.

13 Another issue is any potential benefit  
14 changes, either already, or to be implemented, or under  
15 consideration.

16 As well, the Corporation's further review  
17 of its proposed customer based late fee approach, to be  
18 assessed from a variety of perspectives with the  
19 Corporation's analysis, including the pros and cons of  
20 all options.

21 Also the benchmarks for delivering the  
22 Driver Safety Rating or D -- DSR success. Projections,  
23 options, and implications of various transitional  
24 approaches to implementation of DSR, not just for the  
25 immediate, but also for the mid and long term time



1 periods. As well, the issue of the treatment of new  
2 vehicle registrants and drivers to Manitoba under DSR.

3 Also the status of the Corporation's  
4 investments, particularly with respect to actual and  
5 planned asset mix, with the rationale for the current  
6 asset mix, as well as current and projected investment  
7 returns.

8 As well, a review of the balancing of the  
9 Basic revenue requirement between driver's licence and  
10 vehicle premiums. And the Corporation's current and  
11 planned approach with respect to the buy back of claims.

12 Another issue is the fairness of the  
13 ability to transfer vehicles within households to avoid  
14 premium payments, and the implications rate and otherwise  
15 related to any proposed or possible changes to the  
16 current approach.

17 Another continuing issue is the funding to  
18 fully mit -- meet PIPP interprovincial trucking costs  
19 from SRE or other non-Basic premium payers, and  
20 commentary on whether the current arrangement which  
21 subsidises the trucking industry, represents an onerous  
22 contract, either pursuant to IFRS or in principle.

23 Another issue would be the comparative  
24 inter-jurisdictional comparisons as to accident frequency  
25 and type. Another issue, red light cameras and photo

1 rado -- re -- radar, vis-a-vis DSR, and the status and/or  
2 plans for progress with respect to increased traffic  
3 enforcement by police.

4 Another issue is the current status of  
5 MPI's contractual arrangement with the province with  
6 respect to health care costs related to motor vehicle  
7 accidents, and an indication of any under discussion  
8 possible, or underway changes to that arrangement, with  
9 the implications of any change for cost and rates now, or  
10 in the future.

11 Another issue may be MPI's review of  
12 Canadian and North American best practices related to the  
13 integration of public information and enforcement in the  
14 areas of occupant restraint, unsafe speed, and impaired  
15 driving, compared to MPI's own practices.

16 Also, the sustainable development  
17 initiatives, including any further consideration of that  
18 -- of pay as you drive, or commonly known as PAYD, P-A-Y-  
19 D. The promotion of efficient veh -- vehicle use and  
20 progress on -- with discussions with the sustainable  
21 Transportation Institute, or any other body associated  
22 with environmental driven change.

23 As well, another issue would be any change  
24 in MPI's perspective with respect to RSR, DCAT, MCT,  
25 and/or RAVAR matters, and any other matters arriving from

1 -- arising from previous directions or recommendations of  
2 this Board.

3           The Board intends to conduct its own  
4 research on some of these and possibly other issues, and  
5 will share the results with parties to the hearings -- to  
6 the hearing.

7           As the parties are aware, there is, in the  
8 Manitoba Court of Appeal, an application relating to the  
9 Board's jurisdiction as regards to the Corporation, and  
10 in -- in particular, the review by the Board of evidence  
11 related -- relating to the Corporation's lines of  
12 business other than Basic, which pertain to the RSR,  
13 overall cost incurred, revenue cost, and balance sheet  
14 allocations, and other issues.

15           Recently, the court has ruled on  
16 Intervenors to the case, and established a process and  
17 timetable. The timetable, not the one sought by the  
18 Board, includes a setting of a hearing date of January  
19 2011, well after the time this Board usually issues its  
20 rate and fee order.

21           Accordingly, the Board stresses a  
22 particular need for transparency and openness by MPI in  
23 this proceeding for the public record. This is of  
24 particular importance given MPI's current application,  
25 which would, if approved, significantly effect its future

1 revenue stream. The revenue stream would not only be  
2 decreased with respect to premium revenue, but also with  
3 implications for investment income, and would or could,  
4 effect its overall financial position.

5 Thus, the Board looks forward to the full  
6 cooperation and transparency from the Corporation with  
7 respect to all information requests to be asked of the  
8 Corporation in this proceeding. The Corporation and  
9 other parties to this proceeding should take particular  
10 note that the implications arising from less than full  
11 co-operation and transparency may be significant.

12 As this Board has stated in the past, it  
13 questions the merits of the Corporation's efforts to  
14 withhold information with respect to its overall  
15 operations. Manitoba Public Insurance was envisioned,  
16 conceived, developed and has been operated for the  
17 benefit of Manitobans. And in fact, its incorporating  
18 statute bars the distribution of net revenues to any  
19 other party other than its policyholders.

20 As the Board has also stated previously,  
21 it questions the need for secrecy with respect to  
22 information related to non-Basic operations, as MPI  
23 exists to benefit vehicle owners, dri -- and drivers,  
24 those that may be injured in motor vehicle accidents, and  
25 general society. The Corporation has withheld

1 information on non-Basic operations, despite the fact  
2 that this Board has never sought to set rates and fees  
3 other than those prescribed for it to be set by existing  
4 law.

5                   Basic, being the basis for MPI, has not  
6 been incorporated as separate corporation, and remains  
7 the underlying division of a corporation that could not  
8 operate without it. Basic's coverage and benefits, set  
9 in essence, the available coverage benefits and value of  
10 extension in SRE, and in the absence of drivers and DVL  
11 operations, there would be no Basic, nothing to insure,  
12 nothing to Basic premium -- nothing to base premiums on.  
13 And when Basic coverage changes, the parameters for  
14 extension change, such as, for example, when Basic's  
15 deductible is altered.

16                   In short, Basic drives coverage premiums,  
17 investment income, cost and retained earnings of other  
18 divisions, plain and simple. And the results of those  
19 operations clearly impact on the strength of MPI overall,  
20 including Basic.

21                   In past hearings, the Board has offered to  
22 receive information in confidence from MPI with respect  
23 to non-Basic operations and plans.

24                   The Board has requested supporting  
25 information from reviews known to have been conducted by

1 crown corporation counsel, and the Board has given every  
2 indication that its published reviews and findings with  
3 respect to MPI, if such information was provided to the  
4 Board, would not be damaging to MPI.

5 None of these overtures have been, to  
6 date, received with support from MPI. Why the secrecy  
7 re. non-Basic operations?

8 Presumably, and was indicated in 1970 and  
9 again in 1988 during legislative proceedings, MPI's  
10 operations are there -- for the benefit of Manitobans,  
11 including Basic policyholders. Policyholders also have  
12 extension in SRE products as well.

13 In any case, MPI has not convinced, or  
14 even seemingly even seriously tried to convince, this  
15 Board that there is true existing and material compos --  
16 competition to its extension products in the current  
17 marketplace.

18 With policyhol -- hol -- holders now  
19 required to attend a broker only once every five (5)  
20 years, and with MPI's policy issuance and claims handling  
21 infrastructure as it is, the Board wonders how a private  
22 insurer could hope to economically compete.

23 This Board was provided a mandate to set  
24 Basic insurance rates in the public interest, and there's  
25 little of more importance to the public interest, more

1 than transparency.

2                   Basically, from the beginning of this  
3 Board's involvement with MPI in setting Basic rates and  
4 fees, this Board has looked, not only to the application  
5 of the Corporation and Basic operations, but to the  
6 efficiency of the operations and the strength of the  
7 overall corporation.

8                   MPI tells us that it has integrated its  
9 operations so that no division or line of business stands  
10 on its own.

11                   Is the Board in a position to set fair and  
12 reasonable rates, form an opinion on the financial  
13 position and prospects of Basic operations within the  
14 overall operations of the Corporation, and come to the  
15 conclusion that costs being allocated are accurate and  
16 reasonable, without information on the aggregate cost and  
17 operations of MPI?

18                   How? MPI has argued that the provision of  
19 information on its Ba -- non-Basic operation would  
20 compromise its competitive position.

21                   How, and to whose detriment? The  
22 Corporation? Its policyholders?

23                   MPI is based on a statutorily provided ma  
24 -- monopoly. Its policies have no choice. Its  
25 policyholders have no choice but to deal with MPI if they

1 are to drive and/or -- if they are to own and/or drive  
2 motor vehicles registered in Manitoba.

3           The counterpoint to a monopoly is  
4 regulation and regulatory oversight. Generally, one  
5 would expect that the regulator would determine the  
6 information it requires to do its job, not the regulated.

7           On another topic of importance from the  
8 Corporation's application, the Board understands that  
9 once again, the most recent of a series of similar year  
10 end events, a material actuarial adjustment has  
11 positively impacted Basic results for the most recently  
12 completed full physical period.

13           The Board is unable to find any reference  
14 to the prospect of such a development, either in the  
15 transcripts in evidence of last year's proceedings, or in  
16 the un -- unaudited quarterly statements for 2009/'10, as  
17 published by the Corporation; how can this be?

18           Understanding results and trends is  
19 important to effective rate setting. Towards that goal,  
20 that is, the development of a comprehensive understanding  
21 before setting rates, this Board may seek, in this  
22 proceeding, a schedule to restate prior years Basic  
23 fiscal results. This to compare, to the degree possible,  
24 the audited published results, with the results as they  
25 would have been if subsequently processed actuarially,



1 and other non-recurring and/or accounting adjustments had  
2 been reflected, with respect to actuarial adjustments in  
3 the year of the initial recording of claims incurred.

4 In such a restatement, the Board would  
5 also seek a representation of the 2008/'09 increased  
6 unpaid claims with respect to the improvement in benefits  
7 for those catastrophically injured in motor vehicle  
8 accidents, as a fiscal 2009 entry -- '09/'10 entry,  
9 rather than an '08/'09 entry.

10 If such a schedule can be developed, and  
11 the Board understands that such an exercise would be  
12 complex, the Board may be assisted in its understanding  
13 of trends and other matters related to this proceeding.

14 On yet another important matter, the Board  
15 always seeks an amicable relationship with the various  
16 entities it regulates; now, well over three hundred  
17 (300), including MPI. The Board seeks an environment  
18 wherein direct communication can occur between the Board  
19 and the Corp -- Corporation, where appropriate.

20 Recently, and as insist -- and insisted  
21 upon by MPI counsel, the Board has had to communicate  
22 through its counsel. It's -- it is the Board's view,  
23 that in some instances, communications through counsel is  
24 not only unnecessary, but serves to increase cost and  
25 cause delays, which are not in the public interest.

1                   The Board often deals with other regulated  
2 utilities directly: municipal and water sewer utilities,  
3 privately owned utilities, cooperatives, Manitoba Hydro  
4 and its subsidiary, Centre Gas, without the involvement  
5 of counsel. It does so, when doing so is in the -- in  
6 the interest of efficiency and of the public interest.  
7 The Board looks forward to more contact with the  
8 Corporation in that vain.

9                   On another note, the Board reminds all  
10 parties that their present at this -- presence at this  
11 hear -- hearing is for the purpose of assisting the Board  
12 towards making decisions that reflect the public  
13 interest. The Board seeks fare and reasonable rates and  
14 fees, and a financially healthy corporation.

15                   The Boars -- the Board also reminds the  
16 Corporation and other parties that the Board's authority  
17 includes an ability to amend or vary, not only the  
18 application, but also previous decisions or directions of  
19 the Board.

20                   The objectives for these -- this Pre-  
21 Hearing Conference are to: a) identify Intervenors, and  
22 learn the reasons for their intervention; b) obtain an  
23 appreciation of any cost awards that may be sought, and  
24 if so, the approximum -- approximate quantum of those  
25 awards; and c) arrive at and confirm a timetable for the

1 orderly exchange of evidence and information through the  
2 proceeding.

3 With no -- with that -- and you all have a  
4 draft agenda for the conference. I would call on MPI's  
5 Ms. Kathy Kalinowsky to introduce the MPI representation  
6 today. Thank you.

7 Ms. Kalinowsky...?

8 MS. KATHY KALINOWSKY: Good morning to  
9 everybody that is gathered here this morning. I have  
10 with me Mr. Ottmar Kramer to my right, he's the  
11 controller at MPI and is well acquainted with everybody  
12 here, of course.

13 I have to my left, Mr. Mike Triggs, who's  
14 the director of legal services at MPI and attended the  
15 GRA last year. And behind me, I have Ms. Shannon  
16 Patterson, who's the articling student who just commenced  
17 very recently at MPI, and we thought we'd introduce her  
18 to some of the administrative tribunals that MPI  
19 currently appears before.

20 I do not have present the usual  
21 individuals of Ms. McLaren and Mr. Palmer, who are  
22 currently visiting and having meetings with re-insurers.

23 THE CHAIRPERSON: Thank you. Now, I'll  
24 call on Ms. Everard.

25 MS. CANDACE EVERARD: Thank you, Mr.

1 Chairman. At this stage, I have a few exhibits that I'd  
2 like to enter, and I believe that an exhibit list may  
3 have been distributed.

4 The first one is the notice of the public  
5 hearing and Pre-Hearing Conference, which this year was  
6 dated June 14th, 2010. That would be Exhibit 1, PUB  
7 Exhibit 1.

8

9 --- EXHIBIT NO. PUB-1: Notice of the public hearing  
10 and Pre-Hearing Conference,  
11 dated June 14th, 2010

12

13 MS. CANDACE EVERARD: PUB Exhibit 2, Mr.  
14 Chairman, would be the Public Utilities Board's Rules of  
15 Practice and Procedure.

16

17 --- EXHIBIT NO. PUB-2: Public Utilities Board's  
18 Rules of Practice and  
19 Procedure

20

21 MS. CANDACE EVERARD: And Exhibit 3 would  
22 be the timetable, as currently drafted and proposed.

23

24 --- EXHIBIT NO. PUB-3: Timetable as currently  
25 drafted and proposed

1 MS. CANDACE EVERARD: And I have no  
2 further comments at this stage.

3 THE CHAIRPERSON: Thank you, Ms. Everard.  
4 So we'll move on now to the Intervenors. We'd like to --  
5 if they could introduce themselves, indicate the nature  
6 of their intervention and, if possible, provide some  
7 indication of the quantum of a cost award, if it's going  
8 to be sought.

9 So we'll start with the Canadian  
10 Association of Consumers Manitoba Society of Seniors,  
11 which today is represented by Ms. Bowman.

12 We always have this trouble, Ms. Bowman,  
13 you know. Just try the other one beside you.

14

15 SUBMISSIONS BY CAC/MSOS:

16 MS. MYFANWY BOWMAN: Thank you very much,  
17 and good morning, Mr. Chair, Board members, and everybody  
18 else. I'm here on behalf of CAC/MSOS. We did file  
19 yesterday, a -- an Intervenor Request Form; I'm hoping  
20 that's before the Board; I did bring some extra copies in  
21 case you haven't got it.

22 Yeah. Okay, very good. CAC/MSOS is  
23 proposing to intervene in -- in much the way that it  
24 normally does. We're proposing a fairly comprehensive  
25 intervention to test the reasonableness of -- of the Rate

1 Application, whether it's suggesting a reasonable rate  
2 that is proposed, and -- and the reasonableness of a  
3 variety of different issues that are listed in the -- in  
4 the Intervenor Request Form.

5 We do intend to make a cost application at  
6 the end of the day, and we've provided a proposed budget,  
7 which is in the -- in the application. Obviously, that  
8 is largely dependent on the length of the hearing, and  
9 the -- the issues that arise.

10 So if -- if we anticipate a material  
11 change, we would, of course, let MPI and -- and the Board  
12 know that. We've not yet made a decision about whether  
13 we plan to tender an expert report, so this budget is --  
14 is proposed on the basis that we will not. If that  
15 changes, we will let the -- the parties know and provide  
16 an -- an updated budget.

17 With respect to the timetable which is  
18 proposed by MPI, there were a couple of small issues that  
19 -- that CAC/MSOS wanted to -- to raise with respect to  
20 the timetable.

21 I've advised that the consultants that  
22 we're working with would both prefer a little bit longer  
23 in order to prepare the first round of information  
24 requests. The current deadline is July the 5th, which  
25 is, I believe, five (5) working days from today.

1                   They would propose July the 9th, which  
2 would be an additional four (4) days, or the following  
3 Monday, which would be July the 12th, if I'm not  
4 mistaken. I understand that that may present some issues  
5 from MPI, and I'm not sure if we're -- perhaps we can  
6 tinker with some of the other dates to -- to make sure  
7 that they have enough room to manoeuvre, and I understand  
8 that they have a lot of work to do to answer those  
9 information requests.

10                   But for people who are trying to get the  
11 information request done, and calls for a lot of  
12 material, a -- a few extra days would make a difference.

13                   The other issue that we wanted to -- to  
14 raise was the time between the fi -- between the receipt  
15 of round 2 information responses, and the filing of any  
16 Intervenor evidence.

17                   Obviously, if -- if we don't file  
18 evidence, it's not an issue, but if we do, then three (3)  
19 days is likely not enough. So it may become a moot  
20 point, but I raise it now so that we can at least turn  
21 our minds to that.

22                   I don't know if any of the other  
23 Intervenors were proposing to file evidence or not, but  
24 those are the issues that -- that we see, with respect to  
25 the timetable. Of course, we will do our best to





1 itself, and cross-examining the applicant's witness  
2 panel, and possibly any other witnesses that other  
3 Intervenor might introduce, and finally, making closing  
4 argument. As of this moment, it is not my client's  
5 intention to call any witnesses or file written evidence.

6           The Manitoba Bar Association's Intervenor  
7 request, which not only has been filed but I believe has  
8 also been served upon the applicant, sets out five (5)  
9 primary areas that interest my client. First, there's  
10 the applicant's PIPP Infrastructure Initiative, which  
11 arises out of an order that my client's appearance before  
12 this Board was that -- that order was made some six (6)  
13 years after -- six (6) years ago, after my client's  
14 appearance had triggered that.

15           The second area of intervention is  
16 proposed to be the way in which a continuation of the  
17 scrutiny of the way in which the bar -- the -- the  
18 applicant handles claims for personal injury arising out  
19 of the operation of motor vehicles.

20           For as long as I've had conduct of this  
21 matter my client has been asking if persons entitled to  
22 benefits received, whether under the laws of Manitoba are  
23 pursuant to insurance contracts with MPI, what they  
24 should, when they should, and in the way that they  
25 should.

1           The related question, of course, as far as  
2 this Board is concerned, is whether the applicant's  
3 handling of such claims for personal injury are a cost  
4 effective use of revenues that this Board oversees.

5           Thirdly, my client continues to promote  
6 the role of this Board as an effective regulator of the  
7 applicant. To discharge its statutory mandate, my client  
8 believes that this Board needs the applicant to disclose  
9 information related to its operations where that arguably  
10 goes beyond the narrow definition found in the  
11 applicant's rate application.

12           In addition, the value of the contribution  
13 that this Board offers depends very much, my client  
14 suggests, upon apprec -- an appreciation by the applicant  
15 and the Government of this Board's recommendations and  
16 compliance with its orders.

17           Finally, my client may deal with some  
18 ancillary issues that come as a followup on subjects that  
19 the Bar Association has explored in previous hearings.  
20 In addition, there may be some other subjects that arise  
21 from this rate application or from later evidence that  
22 comes in the course of this Hearing. And some of those  
23 you, Mr. Chairman, have already touched upon, for  
24 example, new drivers in Manitoba, the buy-back of claims,  
25 the role of increased traffic enforcement, and DSR

1 implications, and other issues that could arise.

2                   In pursuing all of these areas, the  
3 Manitoba Bar Association intends to cooperate with the  
4 other Intervenors in order to avoid duplication of effort  
5 and to streamline the Hearing. To that end I can advise  
6 that I've already taken the opportunity to talk with the  
7 office that represents the Consumer's Association of  
8 Canada and the Manitoba Society of Seniors.

9                   In its Intervenor status or Intervenor  
10 request, my client has included a budget for estimated  
11 costs and disbursements, including applicable taxes.  
12 That budget largely copies the budget that we have  
13 submitted in past years, with one (1) exception, and that  
14 is: based on past experience I've added additional hours  
15 to reflect what could be the more likely number of days  
16 that this Hearing could fill. But, apart from that, that  
17 is the expected budget with no surprises.

18                   My client, as far as the proposed  
19 timetable is concerned, has no great concerns. The dates  
20 on which my client focus has given the nature of its  
21 intervention are the filing dates for the first and  
22 second round Information Requests, as well as the filing  
23 of any Intervenor motions. We're amenable to whatever  
24 this Board finds most helpful.

25                   In terms of exhibits, I'll ask -- I think

1 as the usual practice is, that the Bar Association's  
2 application for intervention be accepted as MBA -- or as  
3 Exhibit MBA-1.

4

5 --- EXHIBIT NO. MBA-1:           MBA Intervenor Status  
6                                   Application

7

8                           MR. ROBERT DAWSON:   And failing any  
9 questions, Mr. Chairman, that concludes my submission.

10                          THE CHAIRPERSON:   Thank you, Mr. Dawson.  
11                          Coalition of Manitoba Motorcycle Groups,  
12 Mr. Oakes...?

13

14 SUBMISSIONS BY CMMG:

15                          MR. RAYMOND OAKES:   Thank you, Mr.  
16 Chairman, Members of the Board, esteemed colleagues, and  
17 ladies and gentleman.

18                          Our application for Intervenor status this  
19 morning follows the same process that the CMMG has  
20 followed since 1992 when we first received Intervenor  
21 status, and each year we've mounted an extensive  
22 intervention, which involves testing of both the  
23 experience in the forecasts, and the programs and  
24 policies of MPI.

25                          With respect to this year, again a similar

1 effort will be mounted. The difference, as the Board  
2 will see from our filed application for Intervenor status  
3 is that we're retaining an actuary firm to deal with the  
4 issue of the allocation of loss cost, what the CMMG  
5 previously called loss transfer before the Board  
6 instituted its own form of allocation of loss cost.

7                   And that follows last year's intervention  
8 where we dealt with the phenomenon of single vehicle  
9 accidents and wildlife claims in relation to that, and it  
10 was the submission of CMMG that there are certain  
11 deficiencies that require remedial attention by the  
12 Corporation.

13                   And, to that end, we've engaged the firm  
14 of Dion Durrell who, in addition to the writer, have  
15 submitted their estimate of costs involved in providing  
16 that expert testimony.

17                   So we would submit that the applications  
18 before this Board, our intervention and type of  
19 intervention is well known to this Board and the material  
20 related to the expert witness is provided to this Board,  
21 as well.

22                   With respect to the timetable as submitted  
23 by the Corporation and this Board, we have difficulty, as  
24 does C -- CAC and MSOS, with respect to the first  
25 deadline for interrogatories.

1                   The information requests have to be in a  
2 scant five (5) days following this hearing and there's a  
3 long weekend in between and holidays which are going to  
4 pose some difficulty.

5                   Subject to that, we can certainly work, as  
6 we have done in the past, with the Applicant and look  
7 forward to the opportunity to participate in this hearing  
8 as we have done in past years and, at the conclusion,  
9 we'll be seeking costs.

10                   At this time, it asks that our application  
11 be noted as an exhibit, and those would conclude my  
12 comments this morning.

13

14 --- EXHIBIT NO. CMMG-1:       CMMG Intervenor Status  
15                                   Application

16

17                   THE CHAIRPERSON:   Thank you, Mr. Oakes.

18                   So, we'll move on now to the Canadian  
19 Automobile Association. Is it Ms. Peters or Mr. Kruk?

20                   MS. LIZ PETERS:    Good morning, Mr.  
21 Chairman.

22                   THE CHAIRPERSON:   Welcome.

23

24 SUBMISSIONS BY CAA:

25                   MS. LIZ PETERS:    My name is Liz Peters.

1 I'm the public and government affairs manager for CAA  
2 Manitoba. As we have been here for many years, this is  
3 my first appearance but we will be fi -- filing a  
4 watching brief and we will not be applying for any costs.

5 THE CHAIRPERSON: Thank you.

6 And for the Manitoba Used Car Dealer  
7 Association, Mr. Roberts.

8

9 SUBMISSIONS BY MUCDA:

10 MR. NICK ROBERTS: Good morning, Mr.  
11 Chairman. My name is Nick Roberts. I'm the executive  
12 director of the Manitoba Used Car Dealers Association.

13 We filed our Intervenor request yesterday.  
14 We're here for the same reason we are every year is to  
15 review dealer plate rates. We're happy this year that  
16 there's no -- no increase but we're struggling a little  
17 bit with hiring an actuary so we're -- we're not sure as  
18 to the depth of our involvement this year.

19 We won't be planning on attending every  
20 day. We would maybe make a closing statement. Again, it  
21 depends on our review of the rate application. And we  
22 won't be filing for costs so that would conclude my  
23 comments.

24

25 --- EXHIBIT NO. MUCDA-1: MUCDA Intervenor status

1 application.

2

3 THE CHAIRPERSON: Thank you, Mr. Roberts.

4 And I think I have this right, Manitoba  
5 Motor Dealers Association, Mr. Arnold. And you'll have  
6 to excuse my ignorance, ATA, I'm not quite sure what --

7

8 SUBMISSIONS BY MMDA/ATA:

9 MR. BILL ARNOLD: I'm -- my name's Bill  
10 Arnold. I'm here to represent the Manitoba Motor Dealers  
11 Association and the Manitoba Automotive Trades  
12 Association which is the acronym you see there for ATA.

13 I must admit that I've approached this  
14 conference this morning with a little trepidation because  
15 our organization has never been involved with you folks  
16 before and, of course, some of my colleagues have, most  
17 notably Nick to my right here.

18 So when we found out about the -- the need  
19 to be involved here, I very suddenly was thrust into the  
20 -- into the breach by our -- our executive, because they  
21 felt that there was need for us to table some issues with  
22 the Board that bore their consideration in reviewing  
23 rates.

24 So because we're doing this for the first  
25 time, we're a little uncertain about the process



1 involved. We initially had thought we might be here just  
2 as an observer but when it was concluded that we should  
3 file an application to be an Intervenor, then it was  
4 necessary for me, of course, to be here and be with you  
5 this morning.

6                   Some of the material I'm going to refer to  
7 in my remarks is not really my file, and I'll -- I'll  
8 make that clear to you as we go through. But when I  
9 found out thirty-six (36) hours ago that I was to be  
10 here, I tried to update myself as best I can if there, in  
11 fact, are any questions that might come.

12                   The other matter of trepidation for me,  
13 and this is a little off topic, I guess, is the fact that  
14 tomorrow is a full moon day. And whenever I get into a  
15 situation similar to this, I immediately check my  
16 calendar because that's the first thing I do every year  
17 when I update my calendar, is to put all the full moons  
18 on there because I happen to have in my family a  
19 healthcare worker and I'm very familiar with some prof --  
20 teacher pro -- the teacher profession, and that's the  
21 first thing they do because you absolutely know on every  
22 full day what could or couldn't happen, so nothing will  
23 surprise me today that comes from this hearing, and so I  
24 trust that you'll take that for what it's worth.

25                   Let me just tell you who we are. We --

1 the Manitoba Motor Dealers Association represents the new  
2 car dealers in the Province of Manitoba. We have  
3 approximately a hundred and ten (110) members, most of  
4 whom or quite a number of whom have body shop operations.

5 The Automotive Trades Association, who we  
6 have partnered with here on -- on this presentation, are  
7 the -- is the nontra -- nonprofit trade organization that  
8 represents the vehicle repair and body shop opera --  
9 operators across the province.

10 They -- they represent anywhere from one  
11 (1) person operations up to people like the Boyd Auto  
12 Grou -- Autobody Group, which have a significant impact  
13 on employment in the province.

14 Our main interest in -- in coming here is  
15 to -- is because our members rely upon the revenues they  
16 -- they get from MPI for the -- the claims that they  
17 process on their behalf, and it's -- it's very critical  
18 to -- to them that these rates be fair and equitable.

19 Past practice has been that -- that the  
20 industry through MMDA and ATA negotiate these shop labour  
21 rates and material rates, which basically establishes our  
22 members' revenues.

23 Over 90 percent of their revenues are --  
24 are generated by MPI. That process, however, over the  
25 years has -- has not been very sophisticated and has

1 often been very acrimonious. And it was -- so it was  
2 decided by the -- the new management at MPI, lead by  
3 Marilyn McLaren, to address the concerns about the  
4 adequacy and fairness of rates by developing a study on  
5 the health of the industry, and that was -- that was done  
6 over the last year and a half to two (2) years.

7                   It was funded by MPI and the industry to  
8 the rate -- rate of about a quarter of a million dollars.  
9 It was conducted by Meyers Norris Penny, and they're  
10 obviously a very reputable firm here in the province.  
11 And it was really to become the basis for the  
12 establishment of -- of labour and material rates for our  
13 industry, to ensure the ongoing viability of the  
14 businesses involved and to ensure adequate service for  
15 MPI's customers.

16                   The study has recommended increases in  
17 rates, which are the subject of current negotiations  
18 between our industry and MPI.

19                   We feel that because MPI's ability to pay  
20 is at the root of our members' rates, we feel that  
21 there's a definite link between the MPI insurance rates  
22 and the paid our members.

23                   We feel that even though PUB cannot  
24 dictate to MPI industry labour rates, the PUB should be  
25 aware of the situation in the repair industry and take it

1 into consideration as you approve MPI's 2011 insurance  
2 rates.

3 For this reason, we're requesting  
4 Intervenor status at these hearings to ensure this  
5 information is brought to the PUB's benefit. Because we  
6 were not familiar and -- with where this may go, we  
7 didn't put in an application for costs as part of our  
8 Intervenor Request because we didn't, early in the piece,  
9 see the need for that.

10 That's my presentation, Mr. Chairman.

11

12 --- EXHIBIT NO. MMDA/ATA-1: MMDA/ATA Intervenor  
13 Status Application

14

15 THE CHAIRPERSON: Thank you, Mr. Arnold.  
16 I think in understanding the process you probably gained  
17 some benefit from discussion with other Intervenors, and  
18 also with Board counsel.

19 MR. BILL ARNOLD: Correct.

20 THE CHAIRPERSON: Do we have any other  
21 applicant for Intervenor status here? I think we've  
22 heard from everyone, so there doesn't seem to be anyone  
23 else.

24 So I'll go now to Ms. Kalinowsky. And do  
25 you have a response for MPI with respect to the

1 applications for Intervenor status, and also with respect  
2 to the timetable?

3

4 SUBMISSIONS BY MPI:

5 MS. KATHY KALINOWSKY: Sure, I have a  
6 number of comments. I'd just like to say that with  
7 respect to the comments that you provided, Mr. Chair,  
8 this morning, I'll say that MPI will, of course, be  
9 reviewing those in great depth, detail, and interest.

10 The remarks that you gave were very  
11 crucial, very important, but they were also given at a  
12 very, very fast rate, and I -- I took -- took copious  
13 notes, but we need to really review what was said, and  
14 also have a chance to confer with my client to get a full  
15 response on that.

16 But I will say that we're not intending to  
17 argue the stated case here before the PUB. This isn't  
18 the forum to do that. And, of course, I believe that you  
19 will respect that.

20 And I do want to say that, of course, MPI  
21 will comply with the law and respond to all Information  
22 Requests and cross-examination that deal with Basic  
23 rates.

24 Of course, you mentioned that the  
25 objectives of the Pre-Hearing Conference are to approve

1 the Intervenors, look at the cost applications that they  
2 may have put in, and establish the timetable for the  
3 orderly exchange of information.

4 I'll deal first with Consumers  
5 Association. And I just want to say that the  
6 Corporation, of course, agrees with the granting of  
7 Intervenor status to the Consumers Association and  
8 Manitoba Society of Seniors.

9 We review -- we view that as being a very,  
10 very critical part of the rate setting process and we are  
11 always encouraged by their participation in the process.

12 I did want to say that there's a slight  
13 concern we have with just two (2) aspects of its  
14 intervention. And they weren't mentioned this -- this  
15 morning, I don't believe, by Ms. Bowman, but they are  
16 mentioned in its application for Intervention.

17 And one (1) is with respect to DVL. They  
18 said that they were intending to ask questions with  
19 respect to DVL.

20 And I'll just perhaps refer to the Board's  
21 own notice that it published with respect to the pre-  
22 hearing applica -- Pre-Hearing Conference and the General  
23 Rate Application, where the Board stated that interested  
24 parties should take note that the Board does not have  
25 jurisdiction over MPI lines of businesses denoted as

1 Extension, or SRE, or as MPI's -- or as to MPI's driver  
2 and vehicle licensing operation.

3           So granting of intervention status on that  
4 little wee aspect of DVL isn't appropriate, and, indeed,  
5 as the Board has found, it's beyond their jurisdiction.  
6 So I would request that the Board, in granting its order,  
7 specifically exclude intervention with respect to the  
8 purposes of considering DVL in the rate setting for  
9 Basic. It's a -- it's a fairly minor point, but it is,  
10 of course, important with respect to jurisdiction.

11           Another small comment I had with respect  
12 to the CAC application, and they have mentioned that they  
13 also want to deal with their intervention with respect to  
14 the interaction that Basic has with other parts of the  
15 Corporation.

16           And not -- I'm not quite exactly  
17 understanding what that is. I don't know exactly what  
18 that entails. I suppose that will, of course, unfold  
19 over the hearing, no doubt, but I do have some  
20 instructions that the Corporation will respond to non-  
21 Basic matters as they relate to cost allocation, and I'm  
22 hoping that that is what CAC has really intended that to  
23 be.

24           And I see a nod from Ms. Bowman, so I'm  
25 very pleased by that.

1                   So with that small caveat, I would  
2 encourage the Board to grant CAC/MSOS Intervenor status.  
3 And I'll move on now to the Manitoba Bar Association.

4                   The Corporation will not oppose the  
5 interve -- intervention. It urges, of course, the MBA to  
6 confine its matters to Basic rates, and, of course, not  
7 to re-ar -- or to pre-argue, not re-argue, but pre-argue  
8 the stated case at this forum that will be in January.

9                   But the Corporation will also provide  
10 notice that the Corporation may challenge any of its  
11 applications for costs, but that, of course, will be in  
12 the process that occurs following the hearing.

13                   With respect to MMDA and ATA, I'm pleased  
14 to meet Mr. Arnold this -- this morning. We've certainly  
15 heard some aspects with which his organization is  
16 involved with MPI.

17                   They've provided reasons for their  
18 intervention. And I'll quote the reasons for the  
19 intervention. It's:

20                   "To determine the impact that the  
21 requested MPI rates could have on  
22 industry labour negotiations,  
23 considering recommendations in the 2010  
24 Health of the Industry study undertaken  
25 by the industry and MPI conducted my



1 Myers Norris Penny."

2 And add an end quote there.

3 But I think it's really important to  
4 actually look at what they've said there because they --  
5 they're looking at what impact the rates could have on  
6 the rate negotiations. And we really have to stop and  
7 give -- give pause to that.

8 And I'll -- I'll back up a little bit  
9 here. But PUB might recall last year Ms. McLaren gave  
10 some evidence. And in her testimony last year she stated  
11 that the Corporation was entering into this negotiations  
12 with the industry to agree upon labour rates that are a  
13 component of our MPI rates, of course.

14 PUB might also recall her testimony in  
15 which she stated that the MMDA/ATA had requested parity  
16 with Saskatchewan. And the PUB was informed that parity  
17 would have resulted in an overall 3 percent increase in  
18 rates; something simply unacceptable for the Corporation  
19 to enter into and agree upon on behalf of the ratepayers  
20 of Manitoba.

21 It's not my intention to provide any  
22 evidence this morning. I can say that the negotiations  
23 are moving along rather quickly now with -- or, sorry,  
24 between MPI and MMDA/ATA. The Corporation believes that  
25 it has been a very, very fruitful exercise to have a -- a

1 new approach to the negotiation of rates this year; and  
2 that is to prepare the Health of the Industry study by an  
3 independent party and look at the underlying rates labour  
4 -- sorry, labour rates that ensue from that.

5           Until receipt of this intervention from  
6 MMDA/ATA, MPI had really thought that the negotiating  
7 positions were very, very close; down to two (2) or three  
8 (3) outstanding points in the negotiations.

9           And the Corporation was very hopeful that  
10 within the next very, very short period -- and I can't  
11 give exactly a -- a timeline on this, but certainly well  
12 before an October hearing, and very well before an  
13 October hearing an agreement would be reached with MMDA  
14 and ATA with respect to their rates. So we were  
15 expecting this in a very timely basis.

16           I can also state that the negotiations  
17 between the two (2) parties are confidential, and that's  
18 agreed to by both parties; meaning MMDA/ATA as one (1)  
19 party, and MPI as the other party.

20           In entering into the negotiations we  
21 agreed that we wouldn't disclose what was in the report.  
22 However, upon attaining agreement then we'd, of course,  
23 release -- release the report widely, whether it's to the  
24 PUB or to any other members of the public that might want  
25 this report, or indeed, any other parts of the industry

1 outside of Manitoba that would want this report.

2           The importance of the Myers Norris Penny  
3 study is to provide objective evidence to -- to support  
4 rates that are fair for the industry, and that's the full  
5 basis of the negotiations. And the finding so far have  
6 been agreed to by all parties and now we're in the final  
7 phases of negotiating the agreement.

8           However, I must have to say that a request  
9 to intervene in a process that is stretched over the  
10 summer, and is really based largely on a hearing that's  
11 going to be held in October, I can say that MPI is  
12 disappointed in the MMDA/ATA position to ask for  
13 Intervenor status here.

14           It's certainly a unique and different form  
15 of negotiating status, and the Corporation believes that  
16 it's inappropriate to use a rate making process for the  
17 financial benefit of a service partner and service  
18 provider such as MMDA and ATA.

19           Accordingly, the PUB must consider if  
20 there is indeed a need to grant Intervenor status to an  
21 industry service provider and a partner with MPI for  
22 their purposes of seeking higher rates, higher labour  
23 rates in their negotiations.

24           This is also a fairly important precedent  
25 that the Corporation looks to look at. The Corporation

1 has many different organizations, business partners, that  
2 it negotiates with to set rates from raining -- ranging  
3 from the union, the Manitoba Government Employees Union,  
4 that the bulk of the employees belong to, to other  
5 service providers, the professionals such as  
6 chiropractors, occupational therapists, athletic  
7 therapists, physiotherapists, and also organ -- groups  
8 such as the drivers ed instructors which number over the  
9 hundreds, and also, the commissions with brokers that are  
10 indeed negotiated and then ultimately encapsulated in  
11 rates, or sorry, in regulations by the -- the government  
12 -- negotiate extensively with all of those different  
13 parties and partners that MPI interacts with and  
14 certainly never had any kind of intervention status in  
15 the rate making process for that. So we regard that to  
16 be fairly important as a precedent.

17           Of course, the Board will be very aware  
18 with some of the legal tests on intervention, especially  
19 yourself, Mr. Chair, as you've dealt with this with  
20 respect to the Hydro issues on intervention which has  
21 been rather lively in the past year.

22           But I did want to remind Board members  
23 that Intervenors are generally individuals or groups who  
24 have a sufficient interest or some expertise or view  
25 which the PUB feels will benefit to the proceeding to

1 have represented and that's, of course, at the discretion  
2 of the PUB.

3                   However, it must be remembered that an  
4 Intervenor is there to bring a view or an expertise  
5 before the PUB which will be useful in determining the  
6 matter which is before the agency. If the person seeking  
7 Intervenor status is not bringing anything of potential  
8 use to the agency, or is simply repeating what will  
9 already be brought or could be brought to the agency by  
10 other parties, the agency should not grant Intervenor  
11 status out of concerns respecting the public and the  
12 party's interest in efficient and expeditious  
13 proceedings.

14

(BRIEF PAUSE)

15

16  
17                   MS. KATHY KALINOWSKY: I'll also look to  
18 Board Order 30/10 which the PUB made with respect to.  
19 It's called a Second Procedural Order and Intervenor  
20 Status Applications by the New York Consultant and  
21 Southern Chiefs Organization Inc. for the Manitoba Hydro  
22 General Rate Application for 2010/'11 and 2011/'12 rates.

23                   And at that, at page 32, in dealing with  
24 some of the Intervenor status applications, the Board  
25 accepted there that it should apply the standard criteria

1 in determining that the traditional Intervenor status  
2 according is -- accorded in prior hearings is not the  
3 appropriate role for the New York Consultant, and that  
4 the Board is also mindful that an apparent intention of  
5 the New York Consultant to defend its reputation and  
6 substantiate the validity of its conclusions is not the  
7 proper basis for intervention.

8           And then the Board also stated that the  
9 Board is not proceeding with this risk review to  
10 adjudicate any disputes before Manitoba Hydro, its former  
11 consultant or any other litigation matters.

12           We urge the Board to also think about that  
13 with respect to this application. Is the Board going to  
14 be -- have its process used to adjudicate on negotiating  
15 of rates, for labour rates, between MPI and MMDA/ATA.

16           Finally, the PUB gave, as another example,  
17 the Board's risk review is not the proper forum for  
18 examination of specific allegations of liability by First  
19 Nations vis-a-vis alleged property or other damages  
20 incurred by any First Nation.

21           And I can argue that there is very similar  
22 analogies here between those types of findings and a --  
23 whether it's litigation, or liability claims, or a  
24 negotiation of rates. Certainly, the MMDA is a very  
25 valuable business partner of the Corporation. We've

1 spent a significant amount of time engaging in  
2 negotiations which, I am told from my client, have been  
3 very respectful, have been a very good tenor, have been  
4 very, very helpful, and have -- have been very, very  
5 close to fruition and reaching that agreement, other than  
6 a few points that are still outstanding.

7           So, at this point, I would like to submit  
8 that the Corporation finds that the application fails to  
9 satisfy the -- the tests for intervention, and would also  
10 like to state that the Corporation is very much looking  
11 forward to further meetings over the next couple of weeks  
12 that are scheduled with respect to correspondence that  
13 recently has been circulated between MMDA, ATA, and MPI.

14           With respect to CMMG, the Corporation  
15 agrees with the granting of intervention status to CMMG,  
16 notes that it had stated in its application and again  
17 this morning that it will be bringing forward an actuary  
18 from Diane -- Dion Durell, which has caused both Mr.  
19 Palmer and Mr. Johnston to be quite excited about this  
20 year's application, and the Corporation very much looks  
21 forward to this intervention.

22           The Corporation has no concerns with the  
23 indicated costs with respect to bringing forward this  
24 actuarial report. It does note that it's -- the amount  
25 is fifteen thousand dollars (\$15,000), and perhaps want

1 to clarify with Mr. Oakes whether that also included the  
2 attendance of the actuary at the hearing, or was that  
3 merely for the actuarial report.

4 MR. RAYMOND OAKES: Mr. Chairman, I am  
5 advised that that includes the attendance, but it does  
6 not include the incidental expenses of airfare and  
7 accommodation.

8 THE CHAIRPERSON: Thank you.

9 MS. KATHY KALINOWSKY: Okay. Thank you  
10 for that clarification. We very much look forward to  
11 reading this evidence on rate making and consider it to  
12 be quite valuable for this process. Thank you to the  
13 CMMG for this.

14 With respect to CAA, I didn't receive a  
15 copy of an intervention, which -- or intervention  
16 application with -- which CAA has just indicated it still  
17 has to be signed, so it will be forthcoming. Of course,  
18 they've always had a watching brief, and the Corporation  
19 has no objections to that in any way, shape, or form.

20 With respect to the Manitoba Used Car  
21 Dealers Association, Mr. Roberts has been in and out of  
22 hearings over many, many years and I believe that there  
23 has been -- and the Corporation believes there has been  
24 value to that intervention and will not oppose that.

25 Finally, with respect to costs, we'll, of



1 course, reserve the right to comment on cost award  
2 submissions following the hearing and upon the receipt of  
3 final cost requests.

4 I did want to mention one (1) as -- aspect  
5 on timetable, and I just have to go through my notes  
6 here, which are kind of messy.

7

8 (BRIEF PAUSE)

9

10 MS. KATHY KALINOWSKY: And I know that  
11 Ms. Bowman had indicated and -- that the July 5th date  
12 for the receipt of the first round Information Requests,  
13 she was asking that that be extended to July 9th.

14 That, of course, will cause a ripple  
15 effect throughout the rest of the timetable there. I do  
16 note that the Application was filed on June 11th, and  
17 that provides twenty-four (24) days of -- which to review  
18 the materials and ask IRs, and we submit that that is  
19 quite appropriate.

20 The date for responding the -- to the  
21 first round Information Requests is August 4th. I can  
22 honestly state that since I've been on different sides of  
23 the table, that I know it takes a lot of effort to ask  
24 the -- the questions, which can only be asked responsibly  
25 after a lot of investigation, review of the Application

1 has occurred, but I -- now that I'm with the Corporation,  
2 I can state that the -- the amount of work in answering  
3 the IRs is absolutely truly enormous.

4 I would certainly think that twenty four  
5 (24) days in the application, that's similar to what has  
6 occurred in the past, within a day or two (2), sometimes  
7 twenty-five (25) days, sometimes twenty-three (23) days,  
8 and that should be appropriate. That's three and a half  
9 (3 1/2) weeks, twenty (20) -- twenty-four (24) days,  
10 almost -- almost four (4) weeks there. And I submit that  
11 that should be appropriate.

12 I did have one (1) final comment, and  
13 that's with respect to a tentative hearing date of  
14 October 21st. The dates are perhaps tentatively set for  
15 a Tuesday, Wednesday, Thursday, October 19th, 20th, and  
16 21st.

17 Mr. Palmer is always keen on attending re-  
18 insurance meetings in beautiful downtown Mississauga, and  
19 that occurs on October 21st and 22nd every year, and it's  
20 the re-insurance meeting of all the insurance companies  
21 in Canada. It's a fixed date.

22 And we didn't know whether that's either  
23 possible to move the Hearing date to be October 18th,  
24 19th, and 20th, instead of the 19th to 21st, if that --  
25 anything like that could possibly be accommodated, but

1 that certainly assists Mr. Palmer in discharging his  
2 duties as CFO of the Corporation.

3 With that, I'll just check in with my  
4 clients and see if there's anything else that I should be  
5 stating. Just hold one moment, please.

6 THE CHAIRPERSON: No problem.

7

8 (BRIEF PAUSE)

9

10 MS. KATHY KALINOWSKY: I'm just getting  
11 one (1) more request from my client, to beg and plead, et  
12 cetera, in -- with respect to the timetable for the --  
13 the first round Information Requests. That is highly  
14 crucial to the -- to the Corporation that the -- that  
15 that July 5th date be set.

16 Thank you, very much.

17 THE CHAIRPERSON: Thank you.

18 Ms. Bowman, with respect to this July 5th  
19 business, you were recommending that we set it back to  
20 the 9th or the 12th, and you gave some detail. Perhaps  
21 you could remind the Board again, what is the situation  
22 of CAS/MSOS with respect to this?

23 MS. MYFANWY BOWMAN: Certainly, speaking  
24 of -- CAC/MSOS and our consultants will -- will live with  
25 whatever timetable the Board sets. I can indicate that

1 both consultants have -- have suggested that -- that the  
2 timetab -- the time from receiving the application and  
3 having to do, sort of, a preliminary look through the  
4 application in order to put together a list of proposed  
5 issues and a proposed budget, they then have to go  
6 through it again in order to -- to look at it more  
7 closely and -- and put together information requests.  
8 And -- and we certainly rec -- recognize that -- that  
9 answering the questions takes longer than it takes to  
10 answer them.

11                   And if -- if the Board is inclined to  
12 grant the request for a few extra days, if we need to  
13 tinker with the timetable to give the Corporation a  
14 little more time to answer, we would be flexible about  
15 that, as well. But -- but, both consultants have -- have  
16 indicated that -- that a couple of extra days would be of  
17 assistance.

18                   THE CHAIRPERSON:     Okay. I'll leave --  
19 we'll leave this business to Ms. Everard. She could  
20 consult a bit more with the parties and the Board will  
21 come to a decision on that.

22                   With respect to that other date, Ms.  
23 Kalinowsky, I can tell you the Panel doesn't have any  
24 difficulty with moving those dates to assist Mr. Palmer.  
25 We wouldn't want him to miss the -- re-insurance is

1 important to the Corporation, we acknowledge that.

2 MS. KATHY KALINOWSKY: Thank you, very  
3 much.

4 THE CHAIRPERSON: So we will take all of  
5 this under consideration. And, Ms. Everard, have I  
6 missed anything?

7 MS. CANDACE EVERARD: The only thing, Mr.  
8 Chairman, that was raised by Ms. Bowman that we didn't  
9 hear from Ms. Kalinowsky on and we haven't spoken about  
10 is the item 10(a) on the timetable, which is the deadline  
11 for Intervenors to file any evidence.

12 Ms. Bowman had noted that that was three  
13 (3) days after receipt of the second round Information  
14 Requests and she thought that that may become moot, but  
15 could be tight. So we should speak to that.

16 THE CHAIRPERSON: Ms. Kalinowsky...?

17 MS. KATHY KALINOWSKY: My apologies. I'd  
18 ready -- ready and willing and able to extend that a  
19 slight amount. So I didn't know if the following Monday,  
20 which would be the -- is it the 13th -- would be  
21 satisfactory or not.

22 And then that might require a little bit  
23 of -- yeah, the 13th would be satisfactory. And then  
24 perhaps if that's the case, then we might have to bump  
25 back Information Requests for that, and if that's

1 appropriate...

2 MS. MYFANWY BOWMAN: That sounds  
3 reasonable. I -- I note that we -- we haven't made a  
4 decision yet on that issue. So if the Board wants to  
5 leave it and come back to it later, we're all right with  
6 that; if the Board wants to deal with it now, that's also  
7 fine.

8 I don't -- I had just sort of looked over  
9 to my friend, Mr. Oakes, to see if it created an issue  
10 for his consultant and it doesn't sound like it does. So  
11 I'm not sure how exercised the Board wants to get about  
12 it right now.

13 THE CHAIRPERSON: Not overly exercised.  
14 I think with a bit of give and take, we'll work our way  
15 out of this.

16 Okay. Thank you, everyone, for coming.  
17 We appreciate the comments made by all. And you'll have  
18 our decision with respect to the matters that are before  
19 the Pre-Hearing Conference in due course.

20 Ms. Bowman...?

21 MS. MYFANWY BOWMAN: Sorry to interrupt,  
22 Mr. Chair. I just wanted to ask, would the Board like to  
23 hear a response in issue of -- of CAC's request on the  
24 DVL issue?

25 We had indicated that one (1) of the areas

1 we wanted to explore was DVL. And -- and MPI has  
2 requested that that be limited by the Board.

3 THE CHAIRPERSON: I -- I don't see the  
4 problem. Go ahead.

5 MS. MYFANWY BOWMAN: Thank you. I -- I  
6 just wanted to say that CAC/MSOS, of course, is -- is  
7 cognisant of the jurisdictional issues, and -- and will  
8 do its best not to overstep those lines. They were  
9 interested in exploring the impact of DVL on Basic.

10 If -- if in MPI's view CAC/MSOS is asking  
11 questions which cross that jurisdictional line, I -- I  
12 have great confidence that my friend will make that  
13 clear. And, of course, then the Board can -- can make a  
14 decision at that point. That's certainly our submission.

15 THE CHAIRPERSON: Ms. Kalinowsky, do you  
16 want to add something?

17 MS. KATHY KALINOWSKY: That's fine.

18 THE CHAIRPERSON: All right. I -- I  
19 think then we've heard from everyone, and we've dealt  
20 with what we need to do, so we'll stand adjourned. Thank  
21 you.

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23 --- Upon adjourning at 10:09 a.m.

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Certified correct,

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Cheryl Lavigne, Ms.