

MANITOBA PUBLIC UTILITIES BOARD

Re: MANITOBA PUBLIC INSURANCE CORPORATION (MPI)  
GENERAL RATE APPLICATION FOR  
2017-2018 INSURANCE YEAR  
PRE-HEARING CONFERENCE

Before Board Panel:

Karen Botting	- Board Chairperson
Regis Gosselin	- Board Member
Anita Neville	- Board Member
Alan Morin	- Board Member

HELD AT:

Public Utilities Board  
400, 330 Portage Avenue  
Winnipeg, Manitoba

June 30, 2016

Pages 1 to 75



“When You Talk - We Listen!”



## APPEARANCES

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3 Kathleen McCandless  
4  
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6 ) Insurance  
7  
8 Byron Williams ) CAC (Manitoba)  
9 Jared Wheeler (student-at-law) )  
10 Kelsey Shade (Student-at-law) )  
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12 Raymond Oakes ) CMMG  
13  
14 Erika Miller ) CAA (Manitoba)  
15 Roz Pulo  
16  
17 Christian Monnin ) Bike Winnipeg  
18 Charles Feaver )  
19 Michael Weinstein )  
20  
21  
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1 --- Upon commencing at 9:02 a.m.

2

3 THE CHAIRPERSON: Good morning, ladies  
4 and gentlemen, and welcome to the pre-hearing  
5 conference for MPI's 2017/'18 General Rate Application  
6 filed June 17th, 2016.

7 I am Karen Botting, the vice-chair of  
8 the Public Utilities Board, and joining me today is  
9 our Board Chairman on my left, Reg -- Regis Gosselin,  
10 and Board members Anita Neville on my far left and Mr.  
11 Al Morin on my right.

12 Manitoba Public Insurance is applying  
13 to the Board for approval of its premiums charged with  
14 respect to compulsory driver and vehicle insurance.  
15 This General Rate Application will be conducted in  
16 accordance with the provisions of the Crown  
17 Corporation's Public Review and Accountability Act and  
18 the Public Utilities Board Act.

19 We will employ throughout the process  
20 the Board's rules of practice and procedure which can  
21 be viewed on the Board's website. Any questions in  
22 terms of locating the rules can be posed to the Board  
23 office.

24 In its application, MPI proposes new  
25 premium rates to take effect on March 1st, 2016,

1 which, if granted, would represent a 2 percent rate  
2 increase over the current insurance year.

3           As always, MPI bears the onus in the  
4 pro -- proceedings of satisfying the Board that its  
5 application should be granted on the whole of the  
6 evidence that it provides.

7           Our objectives for today's pre-hearing  
8 conference are to identify prospective Intervenors, to  
9 learn the reasons for their intervention, to hear  
10 submissions on the issues to be included in the scope  
11 of the General Rate Application, to gain an  
12 appreciation of any cost awards that may be sought by  
13 Intervenors and the approximate quantum of any such  
14 costs orders, and to discuss and arrive at a timetable  
15 for the orderly exchange of evidence and information  
16 throughout the GRA process.

17           I will now call on Board counsel for  
18 introductions, followed by MPI's counsel, Mr. Ghikas,  
19 to introduce the representatives of MPI that are  
20 present. After which, I will call on the prospective  
21 Intervenors that are present to introduce themselves.  
22 Once we have heard all introductions, I will call on  
23 Board counsel to make opening comments.

24           So I'll ask our Board counsel, Ms.  
25 Candace Grammond, to please begin doing her

1 introductions.

2 MS. CANDACE GRAMMOND: Thank you,  
3 Madam Chair. Good morning to the panel. For the  
4 record, I'm Candace Grammond of Pitblado Law, lawyer  
5 for the Board. With me is my colleague and co-counsel  
6 for the Board, Kathleen McCandless, also of our  
7 office. To my far left on the other side of Ms.  
8 McCandless is Grace Wedlake, who is one (1) of the  
9 accounting advisors for the Board.

10 And Mr. Cathcart was here and will  
11 likely return, Roger Cathcart, the other accounting  
12 advisor for the Board. Through the GRA process, the  
13 Board will also be assisted by Brian Pelly, who is the  
14 actuarial advisor, and has been for a number of years.  
15 Thank you.

16 THE CHAIRPERSON: Thank you, Ms.  
17 Grammond. Mr. Ghikas, would you like to introduce the  
18 MPI panel?

19 MR. MATTHEW GHIKAS: I will. Thank  
20 you, Madam Chair. First of all my name is Matthew  
21 Ghikas. My last name is spelled G-H-I-K-A-S. And  
22 with me this morning at the end is Jenna Christoph.  
23 She is the Rate Application coordinator for MPI.

24 Next to Ms. Christoph is Jeff Crozier.  
25 He's the -- the director of regulatory affairs at MPI.

1 Immediately to my right is Heather Reichert. She's  
2 the vice-president of finance and chief financial  
3 officer. And to my left is Michael Triggs, who is the  
4 director of legal services at MPI. Thank you.

5 THE CHAIRPERSON: Thank you very much,  
6 Mr. Ghikas. I'll ask Mr. Oakes, Raymond Oakes from  
7 CMMG, Coalition of Manitoba Motorcycle Groups, to  
8 introduce himself.

9 MR. RAYMOND OAKES: Thank you, Madam  
10 Chair. Raymond Oakes of the law firm Booth Dennehy  
11 representing the Coalition of Manitoba Motorcycle  
12 Groups, also known as the CMMG. Good morning.

13 THE CHAIRPERSON: And Byron -- Byron  
14 William -- Williams from CAC, Consumers Association of  
15 Canada.

16 MR. BYRON WILLIAMS: Yes, and good  
17 morning, members of the panel, and a special welcome  
18 to new Board member, Ms. Hainsworth. Byron Williams,  
19 director of Public Interest Law Centre. I'm appearing  
20 on behalf of the Consumers Association of Canada, the  
21 Manitoba branch.

22 To my right is articling student-at-  
23 law, Mr. Jared Wheeler. And supervising all our  
24 activities in the back row is Ms. Kelsey Shade, who is  
25 a -- going into her second year at law school at

1 Robson Hall, and we're fortunate enough to have her  
2 working with us this summer as well.

3 THE CHAIRPERSON: Thank you, Mr.  
4 Williams. And then I would ask Mr. Michael Weinstein  
5 from Bike Winnipeg to introduce his -- his colleagues.

6 MR. MICHAEL WEINSTEIN: Thank you,  
7 Madam Chair. Michael Weinstein at Hill Sokalski Walsh  
8 Olson LLP. Mr. Christian Monnin will also be here  
9 just a little bit later this morning, and will be here  
10 for all of the hearings but I'm here on his behalf  
11 this morning. And we are here on behalf of Bike  
12 Winnipeg, and with me is Mr. Charles Feaver of Bike  
13 Winnipeg.

14 THE CHAIRPERSON: Thank you very much.  
15 Now, we'll begin with our opening comments. And I'm  
16 going to begin with Ms. Grammond giving her comments  
17 for the Board.

18 MS. CANDACE GRAMMOND: Thank you,  
19 Madam Chair. Before I do that, I think we also have  
20 representatives of CAA in the back row. Maybe before  
21 I do my opening comments we'll just have the CAA  
22 representatives indicate their names for the record.

23 MS. ERIKA MILLER: Good morning. My  
24 name is Erika Miller, with CAA Manitoba. And to my  
25 left is Roz Pulo, also with CAA Manitoba.

1 THE CHAIRPERSON: Thank you.

2

3 OPENING COMMENTS BY BOARD COUNSEL

4 MS. CANDACE GRAMMOND: So for the  
5 purposes of this morning, Madam Chair, I'd like to  
6 enter a few exhibits onto the record in this  
7 proceeding. Some of the documents that have already  
8 been exchanged and that the parties are already  
9 familiar with.

10 So as PUB Exhibit 1 I would like to  
11 enter the Notice of Public Hearing and Pre-Hearing  
12 Conference dated June 17th, 2016.

13

14 --- EXHIBIT NO. PUB-1: Notice of Public Hearing  
15 and Pre-Hearing Conference  
16 dated June 17th, 2016

17

18 MS. CANDACE GRAMMOND: As PUB Exhibit  
19 2, the Board's Rules of Practice and Procedure, which  
20 of course are available on the Board's website.

21

22 --- EXHIBIT NO. PUB-2: Board's Rules of Practices  
23 and Procedure

24

25 MS. CANDACE GRAMMOND: As Exhibit 3,

1 the proposed hearing timetable that we're working  
2 with.

3

4 --- EXHIBIT NO. PUB-3: Proposed timetable

5

6 MS. CANDACE GRAMMOND: And as Exhibit  
7 4 a letter from the Board secretary, Mr. Crystal to  
8 MPI and to all prospective Intervenors which was dated  
9 June 20th, 2016, with attachments

10

11 --- EXHIBIT NO. PUB-4: Letter from the Board  
12 secretary, Mr. Crystal to  
13 MPI and to all prospective  
14 Intervenors which was  
15 dated June 20th, 2016,  
16 with attachments

17

18 MS. CANDACE GRAMMOND: And that letter  
19 refers to a number of aspects of the process including  
20 the responsibilities of Intervenors, the minimum  
21 filing requirements, the workshop that took place on  
22 Monday of this week, this pre-hearing conference, and  
23 as well, a template for Information Requests.

24 So just again as a reminder, when  
25 parties are posing their IRs they -- the Information

1 Requests, they are to be done in the -- the template  
2 that the Board has issued. So that's -- those are the  
3 exhibits that I have at the moment.

4                   Next, and prior to hearing from the  
5 prospective Intervenors this morning I wanted to  
6 confirm that each Intervenor should provide the  
7 following information to the Board panel in order that  
8 it can deliberate and decide on the intervention of  
9 each proposed party.

10                   Number 1: An indication of  
11 constituency and interests.

12                   Number 2: An outline of the areas of  
13 the GRA that the Intervenor intends to test over the  
14 process.

15                   Number 3: The reasons for requesting  
16 Intervenor status.

17                   Number 4: Whether an Intervenor plans  
18 to call evidence at the hearing this fall.

19                   And lastly, Number 5: An indication of  
20 interest with respect to seeking an award of costs.  
21 And if interest is expressed in costs a draft budget  
22 should be provided. The Board will apply the criteria  
23 set out in its rules with respect to awarding costs  
24 and as always, decisions with respect to costs are in  
25 the sole discretion of the panel.

1                   Just a couple of other points, Madam  
2 Chair, for the moment. One is at the workshop that  
3 took place on Monday of this week, June 27th, we  
4 discussed a draft issues list and there was one (1)  
5 suggested change to that list at that time.

6                   So if anyone has any further comments  
7 we'll obviously hear them today and then the panel  
8 will be asked to issue, as part of the Order that  
9 flows from today's pre-hearing conference, the issues  
10 list that we will be working with and it's a broad  
11 list.

12                   The other matter that I believe will be  
13 discussed this morning is the process with respect to  
14 questions in the Information Request process on the  
15 physical damage re-engineering project and the  
16 distributed estimating.

17                   There was a briefing that took place in  
18 camera with respect to those issues and so that's a  
19 bit of a -- a special piece and needs to be discussed  
20 in terms of process and how Information Requests will  
21 be dealt with going forward as this process unfolds.

22                   So those are just two (2) things that  
23 we'll want to discuss this morning. Those are my  
24 comments.

25                   THE CHAIRPERSON:    Thank you, Ms. Gram

1 -- Grammond. Now I'll call upon Mr. Ghikas to give  
2 his opening comments.

3

4 OPENING COMMENTS BY MPI:

5 MR. MATTHEW GHIKAS: Thank you, Madam  
6 Chair. This morning I will deal with the issues in  
7 the -- the following order, first of all, I'll just  
8 deal with some housekeeping matters, a simple one.  
9 I'll deal with the issues list and the issue of  
10 Intervenor standing.

11 I will deal with the process and  
12 timeline leaving -- leading up to the hearing and then  
13 I'll address the confidentiality issue that My Friend  
14 Ms. Grammond referred to. And I'll briefly speak to  
15 the process at the hearing. And then I will speak  
16 very briefly to an issue that I would add to the list,  
17 which is the collaboration exercise and the -- the  
18 preferred timetable going forward in the future for  
19 the collaboration in terms of the pre-filing of the  
20 application type of collaboration.

21 So turning first to that -- the  
22 housekeeping issue, it's really one (1) of -- of --  
23 relating to the marking of exhibits. I understand  
24 speaking to My Friend Ms. Grammond this morning that  
25 it's unnecessary for me to go through the process of

1 actually physically marking the -- the application and  
2 subsequent filing of the response to the Gartner  
3 Report, so I -- I won't belabour that further, but I  
4 just wanted to acknowledge that we had discussed that  
5 offline. Thank you.

6           The -- the second point with respect to  
7 the issues list, it was -- it was very helpful that  
8 the issues list was circulated in advance of the  
9 workshop on Monday. So that was -- that was very  
10 useful. And with the minor adjustment that My Friend,  
11 Ms. Grammond, referred to, the issues list appears  
12 reasonable and workable from MPI's perspective.

13           The one (1) point that I would add is  
14 that, notwithstanding the fact that these issues are  
15 generally, excuse me, appropriate for -- for defining  
16 the scope of the proceeding, that there -- there could  
17 in theory be instances where specific questions that  
18 are raised while related to those topics do extend  
19 beyond the -- perhaps the commission's -- or the  
20 Board's jurisdiction, pardon me, or -- or potentially  
21 could be an issue of concern from MPI's perspective  
22 where the question was posed, for example, in a way  
23 that required a significant level of work that was out  
24 of proportion with the probative value of the  
25 question.

1                   So with that caveat, that's not  
2 something that we can deal with in advance. I don't  
3 think it's productive to -- to deal with that this  
4 morning in -- in any further deal, but that would be  
5 dealt with an in IR-by-IR basis.

6                   And I -- I can say that MPI is -- is  
7 committed this year to -- should those instances arise  
8 where there are individual IRs that -- that MPI has  
9 concern about, that MPI will be endeavouring to  
10 improve the process by picking up the phone and  
11 phoning the party who's asking the -- the IRs to see  
12 if we can determine a way in which the -- the issue  
13 can be resolved in a mutually satisfactory way as part  
14 of that process.

15                   So that's going to be something that  
16 MPI is going to be trying to do with greater  
17 regularity this year. And hopefully that will  
18 streamline the process.

19                   But in terms of making that process  
20 move smoothly, it is -- MPI is -- is -- looks very  
21 favourably on the -- on the sort of pro forma type IR  
22 template that the -- that the Board has -- has created  
23 and it would be very useful. And -- and MPI would --  
24 would really encourage parties to fill in the -- the  
25 intent clearly so that that -- that discourse is

1 facilitated. And -- and so we -- we look forward to  
2 hopefully having a productive and efficient process in  
3 that regard.

4 I'll turn now to the -- the process and  
5 time line leading up to the hearing. In terms of the  
6 -- the time line, the -- the Board had circulated a  
7 draft time table in its June 20th letter. And MPI is  
8 in agreement with the steps described and the dates  
9 set out in it.

10 The -- there was a proposal as well  
11 which I'll deal with in a moment for a collaborative  
12 process to -- to address the interest rate forecast  
13 risk factor. And one (1) of the things that was  
14 discussed on Monday is a date for a technical  
15 conference to deal with that issue. And the -- the  
16 dates that were discussed on Monday were September  
17 22nd and 23rd. And MPI's preference is very much for  
18 the -- the 22nd to accommodate some scheduling matters  
19 internally.

20 And we have prepared, Madam Chair, a  
21 revised time table that has a line item for the 22nd  
22 on it which I'm happy to file as an Exhibit this  
23 morning if it would be useful to do that. Perhaps --  
24 perhaps it might be most efficient to do that now then  
25 and -- and circulate that if -- if we may.

1 MS. CANDACE GRAMMOND: My only comment  
2 would be we have yet to actually confirm September  
3 22nd. So please go ahead and file it. But I just  
4 want the record to reflect that we do need to confirm  
5 that with some other schedules. I know Mr. Williams  
6 was going to check on some Clean Environment  
7 Commission process and -- and let us know.

8 So with that caveat, yes, please file.

9 MR. MATTHEW GHIKAS: If it -- if it  
10 makes more sense, we can hold off filing it now until  
11 -- until afterwards, until after we've discussed it,  
12 but I -- I can certainly file it. We'll just go ahead  
13 and do it.

14 MS. CANDACE GRAMMOND: I think -- I  
15 think so, sure.

16 MR. MATTHEW GHIKAS: Okay. All right,  
17 we'll -- we'll file that now, and -- and that will  
18 perhaps circulate. And I'll continue to -- to talk  
19 while that occurs. Thank you. I believe -- will that  
20 be MPI Exhibit -- would it be 3 or 2?

21 MS. CANDACE GRAMMOND: It'll be three  
22 (3) because the application would be the MPI-1, the  
23 Gartner item, MPI-2. This will be MPI-3.

24 MR. MATTHEW GHIKAS: Thank you.

25 MS. CANDACE GRAMMOND: Thank you.

1 --- EXHIBIT NO. MPI-3: Revised time table  
2 featuring September 22nd,  
3 2016  
4

5 MR. MATTHEW GHIKAS: Which takes me,  
6 Madam Chair, to the collaborative process on the  
7 interest rate forecast risk factor. The -- just by  
8 way of -- of background, the application proposes a  
9 risk factor for -- for inclusion in -- as a component  
10 in -- in the rate order.

11 MPI has discussed interest rates and  
12 the proposed risk factor in its overview chapter of  
13 Volume I of the application and the investment income  
14 section in Volume II of the application, which is  
15 Exhibit MPI-1.

16 And in that application, again just for  
17 context and at a -- at a high level here, MPI explains  
18 that, other things being equal, the higher forecasted  
19 -- higher forecasted interest rates tend to produce  
20 lower forecast insurance rates, and -- and vice versa.

21 And MPI also explains its concern about  
22 a succession of interest rate forecasts that have  
23 occurred over the past few years that have been --  
24 turned out to be optimistic, and how that poses a  
25 challenge to the -- the Company that the Company feels

1 can't go unaddressed.

2                   And MPI also explains that it has  
3 reservations, and significant reservations, about the  
4 reasonableness of the current interest rate forecasts  
5 that -- that are reflected in -- in the overall rate  
6 indication.

7                   So the risk factor is a proposal that  
8 MPI has put forward to -- in an attempt to address  
9 that matter. And MPI is requesting and has requested  
10 in the -- in the application a collaborative process.  
11 And it -- and that's being done with two (2) -- two  
12 (2) objectives in mind.

13                   First of all, at a minimum, the hope is  
14 to build some greater understanding regarding the  
15 impact of interest rates and of the interest rate  
16 forecast on rates and -- and -- on insurance rates,  
17 and the impact that forecast variances have in terms  
18 of the risk posed to both MPI and ultimately  
19 customers.

20                   So that's the -- you know, the baseline  
21 hope. And if possible, an objective would be to  
22 achieve some common ground to the extent that it's  
23 possible with the parties participating on either the  
24 need for or the form of or the amount of a risk factor  
25 that could subsequently be presented to the Board.

1                   So in a -- in a perfect world, there --  
2 there would be a greater degree of consensus, and --  
3 and of course that may or may not occur, but that is  
4 the intent of the request, to have a collaborative  
5 process.

6                   And the -- the -- what was discussed on  
7 Monday was a technical -- a technical conference. And  
8 that would be attended by MPI, the Board counsel and  
9 advisors, and any representatives of Intervenors that  
10 had an interest in the issue would attend.

11                   It would -- it would take the form of  
12 what traditionally is termed as a technical  
13 conference, and that we would try to reach those  
14 objectives to the extent it was possible. But MPI  
15 submits that it is worth the additional effort to go  
16 through that type of exercise.

17                   MPI has a -- has a significant concern  
18 about interest rate forecasts which is reflected in  
19 the application, and has -- has really tried to think  
20 a little bit outside the box in terms of how to deal  
21 with that issue coming forward.

22                   So it -- it -- and -- and in MPI's  
23 view, it is an issue that is -- has the potential to  
24 adversely affect both the Company and customers. And  
25 so it's -- there is a real desire to make sure

1 everybody understands the nature of the concern at a  
2 minimum, and if there's any way to achieve common  
3 ground, to -- to try to reach that. And again, as I  
4 mentioned earlier, the -- the preference in terms of a  
5 date to hold that on MPI's part would be September  
6 22nd.

7 I'll turn now to the issue of the  
8 standing for the Intervenors. MPI doesn't take any  
9 issue with any of the applications for -- for  
10 intervention on the part of -- that -- that have been  
11 filed to this point. And should any issue arise, I  
12 can deal with that in reply but I don't foresee any.

13 Turning now to the issue of  
14 confidentiality, which My Friend, Ms. Grammond,  
15 alluded -- Grammond alluded to earlier. This relates  
16 to the materials relating to distributed estimating,  
17 or DE as it's sometimes known, and the physical damage  
18 reengineering, or PDR, initiative of the Company.

19 And as was alluded to earlier, there  
20 was the -- and as you know, Madam Chair, the -- there  
21 was a in-camera session earlier in the month, and the  
22 participants in that were the representatives of the  
23 Board and My Friend, Mr. Williams, on behalf of CAC,  
24 and MPI. Those were the parties that wished to  
25 participate in -- in that exercise.

1                   One (1) of the takeaways from -- let me  
2 back up for a moment. MPI's concern regarding  
3 commercial sensitivity and -- and this, as -- as you  
4 know, is that the publication of information on the  
5 issues of PDR and distributed estimating, to the  
6 extent that information about the costs and benefits  
7 of those programs that are foreseen by MPI becomes  
8 public, that could compromise MPI's negotiating  
9 position effectively with the industry during the  
10 course of negotiations that are currently ongoing.  
11 And those negotiations are anticipated to continue in  
12 -- into the fall.

13                   So -- so that is the -- the driving  
14 concern, and why that proceeding was dealt with in-  
15 camera. And one (1) of the takes from -- from that  
16 in-camera session was for counsel to address  
17 procedurally how to manage issues of commercial  
18 sensitivity going forward in the -- in the GRA  
19 process, and -- and parties have done that.

20                   Counsel for the participants in that  
21 in-camera hearing, Mr. Williams on behalf of CAC, Mr.  
22 Triggs on behalf of MPI, and -- and Board counsel Ms.  
23 Grammond, have exchanged ideas in terms of how to deal  
24 with that. And MPI's understanding is that there is  
25 consensus on a particular approach to move forward,

1 and there was a flurry of emails over the last several  
2 days about this.

3                   But what I -- what I propose to do is  
4 just read out what the proposal was, and this is  
5 verbatim from the email exchange, just for the benefit  
6 of My Friends, Mr. Williams and -- and Ms. Grammond,  
7 from the exchange that came from Mr. Triggs earlier  
8 on. So I'll just read that out in -- in bullet form,  
9 if I may. And MPI's submission is that it is a  
10 sensible approach going forward.

11                   So the first point would be, number 1:

12                   "Since CAC and PUB and advisors were  
13 at the confidential hearing on  
14 distrusted estimating and thus had  
15 confidential information on  
16 distributed estimating and PDR, they  
17 will submit the questions, or IRs  
18 related to PDR and distributed  
19 estimating confidentially.

20                   Point 2:

21                   Intervenors who were not at the  
22 confidential hearing will file their  
23 questions on distributed estimating  
24 and PDR in the normal course, along  
25 with all of their other questions as

1           they won't have access to the  
2           confidential information, and their  
3           questions will thus not contain any.

4           Point 3:

5           MPI will respond to questions on  
6           distributed estimating and PDR in a  
7           public matter unless the response,  
8           or the question in the case of CAC  
9           and PUB IRs, contains confidential  
10          information.

11          Point number 4:

12          In September MPI will review the  
13          confidential questions and responses to  
14          determine whether they still need to be  
15          confidential.

16          And point number 5:

17          Anyone at -- at any time, any  
18          participant in the proceeding, can file  
19          an undertaking to be provided access to  
20          confidentially filed questions or  
21          answer -- answers filed on behalf of  
22          any party.

23          And 6:

24          There will be a confidential in-camera  
25          session during the oral hearing which

1                   can be attended by anyone who has  
2                   signed an undertaking to address PDR  
3                   and distributed estimating generally to  
4                   avoid inadvertent disclosure of any  
5                   information that remains confidential."

6                   So that was the -- the nature of the  
7 proposal. And I understand -- and -- and if -- if I'm  
8 incorrect in this regard, I shall be corrected. But  
9 my understanding is that that's acceptable to my  
10 friends, Mr. Williams and Ms. Grammond, in terms of a  
11 sensible approach going forward. But they can speak  
12 to that to the extent that's required.

13                   It's not on the -- the Board's agenda  
14 this morning, but the process at this oral hearing,  
15 there -- the -- MPI's desire in terms of time  
16 estimates for direct and cross and the like, my  
17 understanding is that there's been some discussions  
18 among the parties about possible time frames for --  
19 time estimates for -- for information and that the --  
20 the dates of October 13th and 14th were for direct  
21 examination and presentations by MPI and that we would  
22 then go into a period of cross-examination and that  
23 the dates of November 1st to 4th would be dealing with  
24 Intervenor panels.

25                   I -- oh, sorry, with -- there -- there

1 was some discuss -- I may have that wrong, actually,  
2 so maybe -- maybe I can be corrected in that regard.  
3 I -- it sounds like I do.

4 MS. CANDACE GRAMMOND: Yeah, I think  
5 my understanding was that we'd have the third week for  
6 the outside witnesses, so that last week of October  
7 would be the -- whatever external witnesses MPI's  
8 going to call, any external witnesses called by the  
9 Intervenors. And then those last four (4) days, which  
10 are November 1st through 4th, if there's any  
11 evidentiary cleanup, we'll do it, and then move on to  
12 closing comments in that week.

13 MR. MATTHEW GHIKAS: All right. Thank  
14 you for that. And so the -- the only -- the only  
15 question for -- for MPI's -- from MPI's perspective is  
16 MPI hasn't settled on, within its sort of period of  
17 calling its own witnesses, what order they would --  
18 they would come in and who would be sitting together  
19 with whom.

20 So it -- it's a little premature to  
21 provide any indication beyond that general discussion  
22 at this point. The...

23

24 (BRIEF PAUSE)

25

1                   MR. MATTHEW GHIKAS:    Sorry.  I think  
2  that's all I can say at this point.  If -- if any  
3  other issues come up during the submissions of other  
4  parties I'll -- I'll add to that if I -- if I need to  
5  to clarify on that.

6                   There is one (1) of the -- the issues  
7  that alluded to that I wanted to -- to deal with was  
8  the issue of pre-filing collaboration.  It was -- it  
9  was a topic that came up in the decision -- the last  
10  GRA decision relating to the extent to which MPI could  
11  collaborate with the revisors of the -- of the PUB and  
12  -- and others' pre-filing of the application.  There  
13  were some challenges this -- this year and -- and in  
14  terms of incorporating feedback.

15                   One (1) of the -- MPI is -- is --  
16  continues to be supportive of that approach, and one  
17  (1) of the things that we wanted to deal with this  
18  morning was looking forward to next year to provide  
19  some indication of a time line when that collaboration  
20  would ideally occur so that we can hopefully avoid the  
21  challenges that we -- we ran into this year in terms  
22  of coordinating that feedback.

23                   And we have prepared a diagram that  
24  sort of sets out the -- you know, how a year unfolds  
25  in terms of the timing of -- of the GRA and the

1 decision and what is going on internally at MPI at any  
2 given time so that it provides the windows in which  
3 that collaboration should occur.

4                   So I'd propose that we hand that --  
5 hand that out now, and -- and I can just speak to it  
6 very briefly, if I may. And this one will be marked  
7 as Exhibit P -- sorry, MPI-4.

8

9 --- EXHIBIT NO. MPI-4:           Collaboration timeline

10

11                                   (BRIEF PAUSE)

12

13                   MR. MATTHEW GHIKAS:   All right. So  
14 what -- what this indicates again is a generic -- a  
15 generic year, as it were. And essentially, what it  
16 depicts is that if the -- if the PUB decision is in  
17 the first week of -- of December, just for -- for  
18 argument's sake in -- in this generic diagram, that  
19 there is a fairly limited window in which -- between  
20 the time the decision arise and when the next  
21 application is really underway in terms of its  
22 internal preparation.

23                   And as you might imagine, there's an  
24 extensive amount of work that has to go in to  
25 developing the rate indication and -- and the like

1 prior to a filing. And so this is indicating that the  
2 ideal collaboration window is in -- is in January and  
3 February, and that if there are updates to the minimum  
4 filing requirements that are required from year to  
5 year, that in a perfect world, MPI would have an  
6 indication of what those were in -- in late February.

7           And this -- this type of -- of timeline  
8 would really be beneficial in terms of the ability to  
9 incorporate collaboration and -- and input from --  
10 from various parties. So we'll leave that at the time  
11 being, subject to any questions that you may have as -  
12 - as we move forward. I can deal with anything  
13 further in reply on that.

14           One (1) -- one (1) final point is --  
15 before I sign off here, Madam Chair, is that MPI  
16 wanted to reiterate its commitment to improving the --  
17 both the -- the nature of the process during this --  
18 this application, and also the -- the nature of the  
19 discourse that occurs among all of the parties.

20           For MPI, from its part, obviously the  
21 process is -- is inherently adversarial in a lot of  
22 ways the way it's structured, but MPI is, for its  
23 part, very much committed to try to improve where --  
24 wherever possible the nature of the interaction that  
25 occurs among the parties, and -- and wish to advise

1 everyone in the room that -- that it is our intention  
2 to really do our best to -- to work and to improve --  
3 to improve that, and to be as constructive and  
4 respectful -- respectful as possible.

5                   And that will occur throughout the IR  
6 process and throughout the hearings as well. And --  
7 and I can say that there have been a number of offline  
8 discussions and that every indication is that the  
9 other parties that we've spoken to offline are -- are  
10 equally committed to that and every indication has  
11 been that -- that this is -- we're -- we're -- MPI is  
12 very optimistic that we can certainly improve in that  
13 regard and we're committed to do so.

14                   And so with that, I -- I -- subject to  
15 any questions the -- the Board has, I can sign off at  
16 this point.

17                   THE CHAIRPERSON:    Thank you very much,  
18 Mr. Ghikas.

19                   Now, I'm going to call upon Mr. Oakes  
20 from CMMG to give his opening comments.

21

22 OPENING COMMENTS BY CMMG

23                   MR. RAYMOND OAKES:    Thank you, Madam  
24 Chair, members of the Board, ladies and gentlemen,  
25 esteemed colleagues. I'll address first the first

1 item indicated as -- as a topic to be dealt with this  
2 morning, the constitutionality and the interest of the  
3 CMMG relative to these proceedings.

4 CMMG was formed in 1992 by the  
5 prevailing motorcycle groups, the enthusiasts that  
6 came together to deal with MPI's application in that  
7 year. And so since 1992 CMMG has been an Intervenor  
8 in these hearings, testing and assisting the Board in  
9 critically evaluating the GRA, testing the evidence,  
10 and raising issues of concern and interest of the  
11 motorcycle public.

12 There's approximately eight hundred  
13 (800) paid members I'm told, from time to time, of the  
14 CMMG and approximately two thousand (2,000) people  
15 access the newsletters of the Association that are  
16 involved. The CMMG holds a number of -- of meetings  
17 of its members dealing with this particular  
18 application and insurance in Manitoba relative to  
19 motorcycles.

20 MPI over the years have been kind  
21 enough to send delegates who mostly even in areas --  
22 in times of increasing rates escaped unharmed for the  
23 most part. So it has its primary focus dealing with  
24 MPI insurance of motorcycles.

25 As another preliminary matter, I was

1 advised at the end of the day yesterday that our  
2 application actually that we thought was filed and  
3 circulated on June 20th was not. On June 20th it was  
4 circulated only to the Schedule B of Intervenors.

5           And so that's been addressed now but,  
6 in the interim, perhaps it would be prudent to ask the  
7 Board formally for an extension of the filing  
8 requirements to deal with that issue.

9           So I move then to an outline of the  
10 topics that the CMMG is concerned with on this rate  
11 application and these are all topics to our issues  
12 within the scope of GRA as dealt with on Monday's pre-  
13 conference hearing.

14           The CMMG is interested in testing the  
15 financial forecast accur -- accuracy. And our  
16 examination in the past has looked at the forecast  
17 versus actual results; changes in cost allocation  
18 methodology; total equity levels of the Corporation.

19           Certainly road safety is an issue that  
20 we've had a great deal of input into over the past two  
21 (2) decades, loss prevention and reviewing the  
22 expenditures; claims forecasting; operational  
23 benchmarking. Insurance rate comparison to other  
24 provinces is something that we've certainly tried to  
25 examine in and with some years more cooperation than

1 others. New and enhanced services being developed.  
2 And alternative rate indications based on the  
3 application of accepted actuarial practice.

4 With respect to the app -- the reasons  
5 for intervening, I think we've stated that in terms of  
6 our hope to assist the Board in evaluating the GRA as  
7 it relates to motorcycle insurance.

8 We will not be producing an expert in  
9 connection with our application and we will be  
10 applying for costs as has been the case previously.  
11 And I can further indicate to the Board that we have  
12 no concerns with the proposed timetable as it's been  
13 set or as it's been proposed this morning.

14 Thank you. Good morning.

15 THE CHAIRPERSON: Thank you very much,  
16 Mr. Oakes.

17 Now I'll call upon Mr. Byron Williams  
18 of CAC to give his opening comments.

19

20 SUBMISSIONS BY CAC (MANITOBA):

21 MR. BYRON WILLIAMS: Thank you. And  
22 just by -- the current panel members, at least up on  
23 the podium, are familiar with CAC (Manitoba) but Board  
24 member Hainsworth may not be. So just like our  
25 friends from CMMG, CAC (Manitoba) has been active in

1 regulatory proceedings before the Public Utilities  
2 Board on MPI issues since the late 1980s, and  
3 similarly very active in issues related to Hydro since  
4 that time period. And since about the mid 2000s also  
5 issues relating to Payday lending and government  
6 cheque cashing.

7           CAC (Manitoba) is a non-profit. It's  
8 operated by an independent board. And my instructions  
9 come from that board through the executive director,  
10 Ms. Gloria Desorcy, who you'll see much of through the  
11 -- the course of this hearing. CAC in -- in terms of  
12 developing its position depends very heavily on  
13 consumer contact. It -- it speaks directly with many  
14 thousand consumers each year, and that's important to  
15 it.

16           For the purposes of any regulatory  
17 hearing that it becomes involved with, there are two  
18 (2) other input processes that it does rely upon. One  
19 (1) is an advisory group, and that advisory group  
20 would be composed of perhaps senior representatives,  
21 individuals from rural Manitoba, when we can  
22 representatives from business, just to get kind of a  
23 cross section of -- of opinions to assist our client.  
24 The ultimate decision is, obviously, made by the CAC  
25 board.

1                   The other tool that they use in  
2 regulatory proceedings are focus groups with  
3 consumers, and those are qualitative research but  
4 where -- give you a chance to explore to some degree  
5 some depth on certain issues. And the -- it depends  
6 on the different -- different hearing.

7                   They're certainly intended to represent  
8 a broad spectrum of the urban population on issues  
9 where we -- we feel that there's a need to get some in  
10 addition outside the perimeter. And outside the  
11 perimeter mentality approach, we -- we also do from  
12 time to time organized focus groups to get some  
13 assistance in that regard as well.

14                  I have -- I will go through our  
15 application for leave to intervene in -- in a bit of  
16 detail but before we get there I just think for  
17 efficiency purposes MPI kindly set out its positions  
18 on a number of issues, and I think I'll try and get  
19 those out of the way before we -- we go through our --  
20 our intervention list.

21                  In terms of the issues list, we don't  
22 have an issue in -- we don't have an issue with the  
23 issues list. We're supportive of the ambit of the  
24 issues list, and we're also supportive of the process.  
25 It wasn't a lengthy meeting, which I'm very

1 appreciative of, but I think it was quite useful.

2                   In terms of the timeline, certainly for  
3 the hearing itself we don't have an issue. In terms  
4 of the proposed September 22nd date for the -- the  
5 tech -- the workshop on the, hopefully, collaborative  
6 effort in terms of interest rate and -- and concerns -  
7 - concerns related to that risk, I don't have any more  
8 information from the Clean Environment Commission. I  
9 think that hearing is in a bit of limbo. And the --  
10 in terms of my schedule I'm available at this moment  
11 for September the 22nd.

12                   The only issue I raise is when -- if we  
13 are granted the right to provide expert evidence on  
14 issues related to investment and -- and risk related  
15 to it, interest rate may come up in that. And I -- I  
16 think I -- I haven't explored this in any detail with  
17 our expert, but I think there will be a relatively  
18 holistic approach to risk.

19                   And so my only question is whether  
20 September 22nd is -- is the right date, or whether the  
21 date might be better after that evidence is filed.  
22 But we're at the discretion of the Board. If -- if  
23 there's value in meeting on September 22nd, we'll be  
24 there enthusiastically.

25                   And the only question I raise is

1 whether it -- it might be better after the --  
2 September 26 when we file our evidence. The problem  
3 with that suggestion though is time is tight. So our  
4 -- that's not a hill I'm going to die on; that's some  
5 -- some information for the Board to consider.

6           In terms of confidential information  
7 related to distributed estimating and -- and PDR, of  
8 course the -- our client has always been very  
9 supportive of having as much information in the public  
10 domain as possible. They do realize that there is a  
11 timing issue in terms of when -- when additional  
12 information with regard to distributed estimating and  
13 physical damage re-engineering will be shared with --  
14 with the broader public probably, at least we're told  
15 now, in -- in August or September.

16           So in terms of our friends from MPI, in  
17 terms of the schedule that they -- or the proposal  
18 they've set out, I think it's quite useful. We don't  
19 have any disagreement with, I think, the six (6)  
20 points that were raised. There are two (2) other ones  
21 that as listen to that that I think should be added,  
22 or I would suggest. And maybe one (1) was in there  
23 and I just did not hear it.

24           Throughout all this -- so from my  
25 client's perspective, MPI will be advising the Board

1 if they still believe that certain issues should be  
2 kept in-camera in September. Our client, of course,  
3 and which should be acknowledged, reserves the right  
4 to make a motion at that point in time if they  
5 disagree with the position of MPI in terms of  
6 disclosure.

7                   But why we went to this proposal was we  
8 didn't want to be fighting about disclosure over the  
9 summer if it was likely that it would be all -- all  
10 available. I think we all like to fight a little bit,  
11 so that's not the problem, but we didn't want to waste  
12 scarce resources. We thought this was a practical  
13 solution.

14                   The other issue that I would just raise  
15 just again in -- in thinking of the -- the very  
16 excellent summary that Mr. Triggs did initially of our  
17 positions on this is, for closing argument, to the  
18 extent that there is still come material that may in  
19 the Board's discretion remain in-camera, then we'll  
20 need to make -- have consideration to what to do for  
21 closing argument, whether written or oral, and whether  
22 a portion of that is -- is necessary to go in-camera,  
23 as well. And I had not -- I neglected to bring that  
24 up as an issue before.

25                   MPI was kind enough -- and we don't

1 need to go there, but they were kind enough to share a  
2 ideal collaboration window. And I think we would  
3 agree with MPI that the January/February time span is  
4 a good idea. I can indicate that we did have a chance  
5 to meet with Manitoba Public Insurance, I'm guessing,  
6 in May, but Ms. Reichert could -- could correct me,  
7 and Mr. Crozier and Mr. Triggs.

8                   We did have a chance to meet with them  
9 to just to discuss some of the things that we were  
10 pleased with, where we were making progress and -- and  
11 ways we could improve the process. That was outside  
12 the hearing. Our client really appreciated the  
13 opportunity to get some input from MPI, and -- and so  
14 we did take a shot at that this year. I agree with  
15 MPI that if we did it sooner, that would be -- that  
16 would be better.

17                   And, finally, before I go through our  
18 intervention, I think we should acknowledge that the  
19 quality of the application from MPI, they did some  
20 very significant rejigging two (2) years ago. Even  
21 for a techni -- technological Luddite like myself, I  
22 can na -- navigate through that application with a  
23 great deal of ease and I find it quite intuitive.

24                   We've seen some additional improvements  
25 in the Information Request form this year, so I think

1 you can see through the collaborative efforts of all  
2 parties some -- some efforts to move things forward.

3 Diana, if I could ask you to pull up  
4 the application for intervention. And -- and I think  
5 it's useful to remind the Board of how it has describe  
6 its jurisdiction and its authority. And, in essence,  
7 what we do here is, pulling from Board Order 98/14, we  
8 outline the five (5) key elements of the rate setting  
9 process.

10 Number 1, ensuring that forecasts are  
11 reasonably reliable. Number 2, ensuring the prudence  
12 and necessity of actual and projected costs. Number  
13 3, looking at the reasonable revenue needs of the  
14 applicant in the context of its overall general  
15 health.

16 And when we hear the -- the words 'rate  
17 stabilization reserve' we understand that comes under  
18 that area. Determining an appropriate allocation of  
19 costs and setting just and reasonable rates.

20 And for our client seeking to represent  
21 the interests of the private passenger class, we'll be  
22 focusing on those first three (3) elements in terms of  
23 forecasting, prudence and necessity of costs, and  
24 overall general health, including the rate  
25 stabilization reserve.

1                   And, Diana, if you could to Attachment  
2 A for... In Attachment A to our application, our  
3 client, under those three (3) broad headings, has set  
4 out the issues of particular interest under that.

5                   Certainly in terms of rate making and  
6 the -- the very popular "incurred but not reported,"  
7 that will be a significant focus of our clients.  
8 That's been an interest of Mr. Pelly on behalf of the  
9 Public Utilities Board, as well as Ms. Sherry and Mr.  
10 Dyck on behalf of -- of Consumers Association.

11                   Of particular interest are the weekly  
12 injury indemnity loss development factors. That  
13 sounds very exciting, but there's a lot of money  
14 related to that, mortality assumptions, and also trend  
15 line analysis, which I think was something that Ms.  
16 Sherry raised in her evidence last year.

17                   Scrolling up just a little bit on the -  
18 - I guess down a little bit on the page -- keep going,  
19 Diana, please. Right there. Oops. Scroll down just  
20 a bit. Perfect.

21                   Also in terms of forecasting, we've  
22 seen very significant variations in expected forecast  
23 related to investment income. And that will be a --  
24 and as well as the proposed interest rate forecasting  
25 risk factor.

1                   That will be a particular interest of  
2 Mr. Viola who we're really excited to be offering as a  
3 potential expert to the Public Utilities Board based  
4 upon his very extensive expertise with two (2) of the  
5 -- the largest pension and investment operations in  
6 Canada, both Ontario Teachers and the Canada Pension  
7 Plan.

8                   Going to prudence and necessity of  
9 actual and forecast costs, always our client pays  
10 particular attention to claims and operating costs.  
11 And when we see complements to be offered to Manitoba  
12 Public Insurance, our clients will offer them.

13                   Physical damage reengineering I think  
14 has been described by Corporation witnesses as  
15 transformative. It's a very important initiative with  
16 significant opportunities and risks.

17                   Our clients, led by Mr. Dyck but also  
18 by our information technology team, Alleyne, A-L-L-E-  
19 Y-N-E, Inc., hope to take a close look at that. And  
20 the Board has seen a report from Gartner Group already  
21 which -- which certainly suggests that we all should  
22 be paying a significant degree of interest and -- and  
23 looking at that in particular degree -- particular  
24 interest.

25                   I want to spend a couple of moments on

1 information technology expenditures. The Board is  
2 aware that this is a -- a long-standing interest of  
3 CAC (Manitoba). And the Board is also aware of  
4 general trends in the industry that show whether it's  
5 the financial or insurance industry, a significant  
6 increase in information technology expenditures, but  
7 not always the best type of information in terms of  
8 whether we're getting value for that investment.

9           And that will be of particular interest  
10 of our clients, and noting, for example, that in terms  
11 of the compound annual growth of information  
12 technology costs, it's been 6.4 percent from '11 --  
13 2011/'12 to '15/'16. And it appears to be 7.2 percent  
14 from 2016/'17 to 2020/'21 based upon Volume II  
15 expenses, Appendix 14.

16           So that's a big concern for our client.  
17 And our client has raised these concerns in -- in past  
18 years, both with regard to the forward looking  
19 physical damage reengineering as well as to -- still  
20 trying to figure out what was the value for money for  
21 the investment in the BI-3 initiative.

22           Again, the Gartner Group report, I --  
23 from our client's perspective, has highlighted in the  
24 context of PDR some really interesting and important  
25 issues related to the output from -- in terms of IT

1 from firms like Mitchell, its ability to deploy and  
2 develop the FNOL product. So there's been some very  
3 important issues raised in that as well.

4 I'll just -- and again, from our  
5 client's perspective, if you look at the 2018/'19  
6 forecast, for example, you take total IT expenses  
7 coupled with total deferred and equipment, you're  
8 coming to total costs in the range of \$98 million. So  
9 from our client's perspective that's a significant  
10 issue that they will pay attention to.

11 They hope to retain the assistance of  
12 the firm from Toronto, Alleyne, A-L-L-E-Y-N-E, again  
13 for the reporter, which is going to be asking some  
14 critical questions. We see a lot of qualitative  
15 statements in the Manitoba Public Insurance evidence  
16 about the value of these investments.

17 The question Alleyne will ask is: Has  
18 MPI adopted, and can it demonstrate that it has  
19 adopted a value-based quantitative accountability  
20 orientated approach to measuring how business value  
21 for IT investments can be established.

22 And you'll see a -- a number of similar  
23 questions that our client has articulated in terms of  
24 this. And, Diana, if we could go on the next page to  
25 Investment Income. Thank you. Right there. That's

1 perfect.

2                   Another significant focus of our client  
3 will be on investment income, interest related risk,  
4 and prudence and reasonableness. And I want to just  
5 be clear, the Board, in Order 98/14, I think I have  
6 the page memorized, page 52, talked about how its  
7 interested in investment it relates to forecast, it  
8 relates to the RSR, it's a critically important issue.  
9 And certainly the Board has said it's within its  
10 jurisdiction and our client agrees.

11                   Our client's focus will be on risk and  
12 the implications of that risk both on the forecast and  
13 on what we said is reserves for our rainy day funds.  
14 And it will be asking some, we -- they hope are  
15 challenging questions in terms of, is our assessment  
16 and awareness of portfolio risk consistent with good  
17 modern practice?

18                   How robust are the policies for  
19 addressing risk? And important question, which is  
20 about the fourth down, Is the real challenge within  
21 the MPI portfolio a highly constrained portfolio  
22 design leading to undue risk?

23                   Going down a couple more questions:  
24 Does the MPI portfolio pay sufficient attention to  
25 concentration risk within the equities?

1                   The Board asked some questions last  
2 year about looking for comparators to Workers' Comp,  
3 the Teachers Fund, et cetera. Our client will be  
4 asking the question of whether that analysis, the  
5 benchmark portfolios was meaningful or whether there's  
6 a -- a better and more insightful way to look at that.

7                   Onto the next page very quickly. Right  
8 there's fine, Diana. Thank you. What's now under  
9 prudence and reasonableness, and I had to apologize to  
10 my clients for omitting it, is issues relating to road  
11 safety, which is a longstanding concern of our client.

12                   In other years, if we weren't seeking  
13 to bring experts on investments as well as IT, we  
14 might have brought a road safety expert, but we chose  
15 not to. Mr. Dyck does have a lot of work that he's  
16 done in the area, but we're not bringing an expert.  
17 Other years we might have.

18                   We're also going to be exploring in a  
19 bit more detail reinsurance. And we note just the  
20 significant adverse hail events this year and we want  
21 to better understand the -- the value for money  
22 investment of the Corporation and reinsurance in that  
23 regard.

24                   In terms of the -- the third great  
25 issue that our client will focus on, we will certainly

1 look at the RSR and especially in the context of our  
2 analysis of the investment portfolio. And our client  
3 will be asking, Are we appropriately -- appropriately  
4 reflecting the risk in the investment portfolio?

5           Are we perhaps under-reflecting that  
6 risk? To the extent that the Corporation if we -- if  
7 we establish that not all of its risk management  
8 approaches are prudent, what, if any, implications  
9 does that have for the RSR itself.

10           So those are some important questions  
11 that we wish to examine. I don't know how many years  
12 that there has been actual evidence on the DCAT and  
13 RSR. Lord knows I'd like to bring more, but I think  
14 that the -- the Board has had a -- a thorough  
15 canvassing of those issues.

16           We may seek to bring onto the record  
17 some of the evidence from prior years as a more cost  
18 effective way to -- to bring that information forward.  
19 So we will not be bringing an expert witness on issues  
20 related to the RSR or DCAT.

21           If I could just go back, Diana, to the  
22 main Application for just a second -- to the next  
23 page, please.

24

25

(BRIEF PAUSE)

1                   MR. BYRON WILLIAMS:    The Board is well  
2 familiar with Mr. Dyck, who has an overall knowledge  
3 of the Corporation and is -- has looked at their cost  
4 control measures and physical damage reengineering for  
5 many years. Road safety issues, as well, in the years  
6 we don't hire experts. They're also familiar with Ms.  
7 Sherry, who has testified here last year who's an  
8 actuarial expert.

9                   I do want to introduce the Board to the  
10 two (2) experts we hope to bring on board. And,  
11 Diana, if I could ask you to pull up the curriculum  
12 vitae of Mr. Viola for a second?

13

14   (BRIEF PAUSE)

15

16                   MR. BYRON WILLIAMS:    And if you could  
17 go actually to the last page for just a second, Diana?

18

19   (BRIEF PAUSE)

20

21                   MR. BYRON WILLIAMS:    Under  
22 'education'. Our client is really excited to have Mr.  
23 Viola potentially joining the team. Expen --  
24 extensive information, experience as an accountant  
25 with his MBA in a chartered financial analyst. And if

1 you go to the second page of the curriculum vitae,  
2 Diana, and down -- you'll see that under the Ontario  
3 Teachers Pension Plan -- Plan, one (1) of the two (2)  
4 largest plans, he played a critical role in a really  
5 formative time period with this plan.

6                   Whether it was as part of the -- of the  
7 investment planning committee looking at the total  
8 management of the very, very large portfolio, looking  
9 at the strategic policy and tactical asset mix, and as  
10 you'll note under the second black bullet the first  
11 white bullet, "defel -- developing the funds first  
12 asset liability model" which we think is of particular  
13 interest to this discussion, managing the tactical  
14 asset portfolio, one (1) of the largest value-added  
15 targets to the fund, and managing the real return bond  
16 portfolio which I think he'll -- he would testify  
17 would be in the range of \$10 billion, or roughly three  
18 (3) times the size of the entire MPI portfolio.

19                   If you could slide up on the page,  
20 Diana? Thank you. You'll see that from there, Mr.  
21 Viola went to a very senior position with the CPP  
22 Investment Board. One (1) of the -- the first  
23 executive responsible for total portfolio research. A  
24 critical mixed team of professionals, and some very  
25 critical work in terms of the CPP Investment Board.

1 He also has been, if we go to page 3 for just one (1)  
2 second, Diana -- also been involved with some other --  
3 as an advisor to some other very significant Canadian  
4 plans.

5                   And finally to page 1, down to -- keep  
6 going, please -- to Holland Park. There you'll see  
7 some cutting edge work with leading portfolios across  
8 North America, workers' comp and others. Portfolios  
9 that were significantly larger in size than the one  
10 (1) of Manitoba Public Insurance. So that's Mr.  
11 Viola. And we're, as I said, very excited.

12                   And then if we could just pull up Mr.  
13 Alleyne, and he's going to tell me how to pronounce  
14 his name in a moment. But I'll just simply note that  
15 he has very extensive experience in the insurance and  
16 financial services businesses. Going down to the  
17 bottom of page 1, Diana, for a second. Experience  
18 with the insurance industry since 1990, and as a chief  
19 information officer as well.

20                   And Alleyne brings a lot of experience  
21 to the value for money examination. Mr. O'Brien  
22 (phonetic), who is one of their analysts, will also  
23 bring insight in terms of what other -- what -- what  
24 is going on elsewhere in the IT industry in Canada.  
25 And so we think they bring a very exciting

1 proposition, as well.

2                   Diana, if you could just go back to --  
3 to the -- the third -- the next page of the  
4 intervention application?

5

6                                   (BRIEF PAUSE)

7

8                   MR. BYRON WILLIAMS:    Our client is  
9 bringing a large budget forward in this hearing. We  
10 think it's consistent with what we've done in other  
11 years. And certainly less than what we would  
12 typically -- typically bring for an analogous hydro  
13 proceeding, but it's large and our client instructed  
14 me to make sure that I made clear to the Board why  
15 they're bringing a budget of this size.

16                               First of all, the Board should  
17 recognize this as an unusual proceeding. We actually  
18 are looking at, it appears, three (3) external  
19 witnesses from Manitoba Public Insurance, Aon Hewitt  
20 on issues reless -- relating to the investment  
21 portfolio, the Gartner Group on issues related to  
22 physical damage re-engineering, including IT, and  
23 someone on road safety.

24                               And these issues going to item number 2  
25 on this list are big ticket items with long-term

1 implications. Physical dam -- damage re-engineering,  
2 as MPI has indicated is truly transformative. And our  
3 client certainly looks at that. They look at the  
4 Gartner Group report and -- and see a need for ongoing  
5 vigilance.

6           The risks and opportunities associated  
7 with investment income are very material. I think on  
8 the Basic program there was \$190 million variation  
9 from the year previous. There was a very significant  
10 change. And these -- it's a \$3 billion portfolio for  
11 the Corporate as -- Corporation as a whole; big  
12 issues.

13           There are still significant, going down  
14 to item number 4, ongoing issues that have been raised  
15 by Mr. Pelly, Ms. Sherry, and Mr. Dyck in the -- in  
16 the past. And, as I said previously, if -- if we  
17 weren't bringing two (2) other witnesses, our client  
18 probably would bring a road safety witness. Or this  
19 is not the year, given the other budget commitments  
20 that they've made.

21           And, finally, Diana, if I could just  
22 turn to Attachment C for a moment.

23

24

(BRIEF PAUSE)

25

1                   MR. BYRON WILLIAMS:    This gives a  
2 snapshot of the total budget that the Consumer  
3 Association is seeking to bring forward.  I'll note  
4 that on the MPI side in 2015/'16, for example, I think  
5 the total budget was one hundred and seventy-seven  
6 thousand (177,000).

7                   There's two (2) different orders that  
8 relate to that.  One (1) is Order 13/15 and the other  
9 is Order 139/14.  We kept that in mind in terms of  
10 what we were looking at but recognizing we were  
11 seeking to bring two (2) distinct expert witnesses.  
12 That was a budget figure that we kept in mind.

13                  I do also want you to note, if you  
14 would, that these are significantly lower than what  
15 you would normally see for an MP -- a hydro budget.  
16 If you just think of the cost of service hearing, for  
17 about a twelve (12) day hearing, including workshops,  
18 that's in excess of two hundred and twenty-five  
19 thousand dollars (\$225,000) from the Consumers'  
20 Association as part of a coalition.

21                  I do also want to note that there has  
22 been an inflationary issue related to the Board's  
23 tariffs.  And we're not objecting to that.  But if  
24 you're trying to compare two (2) years back, the legal  
25 fees are significantly higher.  And if you look at old

1 applications by CAC you'll Dr. Simpson, who's a  
2 professional academic, charging a hundred and twenty-  
3 five (125) to a hundred and thirty dollars (\$130) an  
4 hour.

5 I'm happy to do that. I can cut  
6 academics down because it's not their prime  
7 livelihood. But we're bringing forward in this  
8 hearing folks who do this for a living, and we're  
9 obliged to charge -- or to seek to recover higher  
10 rates.

11 I would not just when we look at Ms.  
12 Sherry, her hourly rate is much less than she would  
13 gain in the private sector, in the private market --  
14 market for an actuary.

15 Mr. Viola, his -- the two hundred and  
16 forty (240) hours for him, which is consistent for  
17 tariff, his private sector rate -- he just did some  
18 significant work for a major financial institution at  
19 four hundred and seventy-five dollars (\$475) an hour.  
20 And Alleyne Inc. is offering a rate still con --  
21 significantly below tariff. So that's a point I  
22 wanted to raise.

23 And, finally, I do want to note for Mr.  
24 Viola and Alleyne Inc., we would contemplate their  
25 retainer being in two (2) stages. The first stage

1 going up to August, the discovery stage. And only in  
2 August would we make the call whether or not we would  
3 seek to bring evidence.

4 I can tell you, looking -- based upon  
5 Mr. Viola's first look at the MPI portfolio, I'm quite  
6 confident we will be seeking to bring evidence in that  
7 regard. When you look at the estimate for Alleyne  
8 Inc. you'll see that there's a wide variation in days,  
9 seventeen (17) to thirty-eight (38) days. The  
10 seventeen (17) is phase 1; that's when the client  
11 would have to make the call whether or not to bring  
12 expert evidence.

13 I have a fair degree of confidence that  
14 they could add value, but we put in that wide range  
15 because with them in particular we're not absolutely  
16 certain that -- that we will have enough to bring to  
17 evidence, although we -- based on what they've seen so  
18 far, we think we could add value to the process  
19 through that.

20 The final note I do want to bring to  
21 the Board's attention with regard to these witnesses,  
22 the Board conducted its first experiment with  
23 concurrent evidence panels last year. We thought it  
24 was a useful experiment.

25 In the event that Mr. Viola appears as

1 a witness, we could see some value in him appearing  
2 with Aon Hewitt as part of a cons -- concurrent panel  
3 that -- and similarly with Alleyne, there may or may  
4 not be some value in having them appear with the  
5 Gartner Group.

6 I won't go through it, but attached is  
7 Attachment D to this submission is a filing from the  
8 Ontario Energy Board in terms of concurrent evidence  
9 panels. If the Board does go -- decide to go down  
10 that path, we think it offers some good advice on how  
11 the process should work, tweaked a little bit from  
12 what we did in Manitoba last year, and we think  
13 there's some learnings from that.

14 Subject to any questions, and  
15 apologizing for the length, those are our client's  
16 comments.

17 THE CHAIRPERSON: Thank you very much,  
18 Mr. Williams.

19 I'm looking at the time. Would people  
20 prefer to have a break now, or just go through our  
21 next -- well, we'll take a fifteen (15) minute break  
22 right now. Thanks.

23

24 --- Upon recessing at 10:16 a.m.

25 --- Upon resuming at 10:36 a.m.

1 THE CHAIRPERSON: Well, I hope you had  
2 a good break. We'll continue with our opening  
3 comments, and I'm going to call upon Erika Miller from  
4 CAA, Canadian Automobile Association, to give her  
5 opening remarks.

6

7 OPENING COMMENTS BY CAA (MANITOBA):

8 MS. ERIKA MILLER: Good morning. CAA  
9 (Manitoba) has been an Intervenor with the MPI-PUB  
10 process for over twenty (20) years now. And we  
11 continue to engage in the process due to our general  
12 interest in road safety and ensuring that rates stay  
13 fair and reasonable for all ratepayers.

14 We do not have any plans to produce  
15 witnesses, and we will not be applying for costs.  
16 Finally we have no concerns with the proposed  
17 timetable. Thank you.

18 THE CHAIRPERSON: Thank you, Ms.  
19 Miller.

20 Our next intervenor will be the Bike  
21 Winnipeg, and Mr. Weinstein or Mr. Monnin. Welcome.  
22 I hope you had a good trip.

23

24 OPENING COMMENTS BY BIKE WINNIPEG:

25 MR. CHRISTIAN MONNIN: I did. Thank

1 you very much for accommodating my erratic schedule.  
2 I'd like to welcome Board Member Hainsworth and -- and  
3 congratulate you on your appointment, and we look  
4 forward to working with you.

5 My name is Christian Monnin, and I'm  
6 legal counsel for Bike Winnipeg. We're seeking  
7 intervention here today. To my right is Mr. Charles  
8 Feaver, who is from Bike Winnipeg, and to my left is  
9 my colleague, Mike Weinstein -- Michael Weinstein  
10 rather, and we're from the firm Hill Sokalski.

11 Bike Winnipeg is again seeking to  
12 intervene this year. This would be the third year  
13 that we are seeking an intervention. In our  
14 Intervenor request form -- sorry, before I get ahead  
15 of myself, I just also want to acknowledge speaking --  
16 one (1) of the cornerstones being collaboration.

17 I'd like to tip my hat to -- to MPI,  
18 and in particular Mr. Triggs who reached out to -- to  
19 myself and Mr. Weinstein in order to open dialogue  
20 between Intervenors and ensure that, moving forward,  
21 there's a more efficient and more collaborative --  
22 collaborative hearing here. So I'd like to thank Mr.  
23 Triggs for that and -- and MPI for that initiative,  
24 and we look forward to working with them.

25 With regards to the Intervenor request

1 form, in our Schedule A we build upon the history of -  
2 - of Bike Winnipeg's intervention in these GRAs. And  
3 the -- the scope of our intervention will be found at  
4 the -- the first page of Schedule A and the three (3)  
5 bullets which are generic but are -- are -- seem to  
6 the same scope that we have been intervening on in the  
7 past years.

8                   And -- and under those generic bullets  
9 would fall, we would suggest, the issues that were  
10 identified in -- in Board Order 128/15 of last year  
11 where the Board ordered -- and now, Diana, if you can  
12 go to the last page of Schedule A.

13                   Those are the items that were  
14 identified by the Board in that order, which we would  
15 suggest fall under -- in various forms fall under the  
16 three (3) bullets that are identified in -- in our  
17 Schedule A.

18                   And we do intend to make a cost  
19 submission as we have done in -- in prior years. The  
20 cost submiss -- or the -- the proposed budget that we  
21 have is Schedule B of our Intervenor request form and  
22 it's very much in line with what we have filed in the  
23 past.

24                   We had contemplated bringing forth  
25 witnesses for this hearing. We will not be doing that

1 this year. However, should the involvement of Bike  
2 Winnipeg proceed, that is certainly something that we  
3 would like to explore going forward, but we'll leave  
4 that aside for now.

5                   So subject to any questions from the  
6 Board or panel members, those are our -- our brief  
7 submissions for the Intervenor request on behalf of  
8 Bike Winnipeg.

9                   THE CHAIRPERSON: Thank you very much,  
10 Mr. Monnin. I believe we have...

11                   Okay. I'll go back to MPI if you would  
12 like to have any comments on the opening remarks.

13

14 REPLY BY MPI:

15                   MR. MATTHEW GHIKAS: Thank you, Madam  
16 Chair. I will be very brief. Just a couple of --  
17 just a couple of points.

18                   The first one (1) is with respect to My  
19 Friend Mr. Williams' discussion about whether the  
20 technical conference on September 22nd, whether it  
21 would be better to put it after the September 26th  
22 filing date of the Intervenor evidence. And while in  
23 a perfect world one -- one might do that, I think the  
24 governing constraint in this circumstance is -- is the  
25 proximity of the September 22nd date to the -- the

1 hearing as it is.

2                   The lead up to the hearing is as one  
3 would expect, a very harried time and -- and full of a  
4 lot of work for -- on -- on everybody's part. And --  
5 and in my submission, you know, September 22nd, in and  
6 of itself is fairly close to the hearing. And MPI  
7 would be reluctant to push that back.

8                   Now -- and I -- I recognize and -- and  
9 appreciate My Friend's comments it's not a hill he's -  
10 - he's dying on, and I'm glad to hear that. The --  
11 the -- what I -- what I can offer, and -- and, you  
12 know, hopefully it's of some consolation to My Friend  
13 is -- is that given the proximity of September 22nd to  
14 the filing date, my expectation would be that he'd  
15 probably have a pretty good indication at that time as  
16 to what his expert's views on things are.

17                   And hopefully, you know, we would  
18 expect that, you know, My Friend would be able to  
19 communicate those at the technical conference and  
20 we'd, of course, be happy to hear those views as well.

21                   BOARD MEMBER GOSSELIN:    Could I ask  
22 you a question at this point?

23                   MR. MATTHEW GHIKAS:    You may, thank  
24 you.

25                   BOARD MEMBER GOSSELIN:    I -- I guess

1 the question I have is why September 22nd. Why not  
2 way earlier, August? Why -- an observation is that  
3 there's not a lot of information about MPI's interest  
4 rate factor -- interest rate risk factor in the  
5 application.

6                   There's not -- in -- there's not a lot  
7 of information. And I guess the question is: At what  
8 point will we get more information and -- but -- but  
9 the initial question is, why not August? That way  
10 we'd have lots of time to consider what MPI has in  
11 mind, and formulate the questions, and pre-file the  
12 evidence, and so on that addresses the topic.

13                   MR. MATTHEW GHIKAS: And that -- that  
14 is a fair -- a fair question, Mr. Gosselin. The -- I  
15 guess the -- the view from MPI's perspective was --  
16 was actually they were approaching it from a different  
17 consideration in doing that, in that it -- that it  
18 would be after -- after a round of Information  
19 Requests and after the issues had been explored.

20                   Having the technical conference after  
21 that might allow a greater, you know, the record to be  
22 fleshed out in -- in that context as well. So that  
23 was really the -- the logic behind the timing in -- in  
24 that -- that was the logic behind it.

25                   I do appreciat -- appreciate and

1 acknowledge that that is the competing consideration  
2 which you've raised.

3 BOARD MEMBER GOSSELIN: Because, you  
4 know, in some ways that timing boxes us -- boxes us in  
5 in terms of resolving the issue if that's MPI's  
6 desire. I mean, because that -- you know, you  
7 introduce a topic at that late date, chances are that  
8 you will not get a satisfactory resolution for -- in  
9 MPI's perspective by the time the hearing is -- is  
10 undertaken.

11 So -- so just an observation. I mean,  
12 I don't want to pre-judge the outcome of the process,  
13 but just an observation. The earlier we can start it  
14 the -- the more likely there will be a resolution to  
15 the -- to the issue through the hearing process.

16 I don't know if the other parties agree  
17 with me, but that's my view of --

18 MR. MATTHEW GHIKAS: Well, I -- no,  
19 and I -- I mean, obviously MPI appreciates the -- the  
20 observation. I thin, you know, MPI's approach to it  
21 is -- is -- I guess it -- it -- from -- from MPI's  
22 perspective the view is that we would be -- we would  
23 have intro -- the -- the -- we're not looking at it as  
24 if it's being introduced for the first time in  
25 September but, rather, introduced at the point of the

1 Application being filed and then, you know, parties  
2 being able to explore the interest rate issues through  
3 the IR process. I appreciate the -- the observation.  
4 I -- I guess we just -- we -- we approached it from a  
5 different perspective.

6           The second point that I -- I wanted to  
7 address in reply briefly was the joint empanelling of  
8 experts that was raised as a possibility by My Friend  
9 Mr. Williams again. And the -- my -- my first  
10 submission in that regard would be that it's premature  
11 to have any sort of directive or determination with  
12 respect to joint empanelling of -- of experts.

13           And my second point is that it -- it is  
14 that it shouldn't necessarily be assumed that joint  
15 empanelling of witnesses is the most efficient way to  
16 do things necessarily. It's obviously an approach  
17 that can be done, and can work quite effectively in  
18 certain circumstances. It -- it isn't the norm, and  
19 so the -- the -- in my submission, it -- there -- the  
20 -- there are certainly also instances where the most  
21 efficient way to do things is to deal with it in the  
22 traditional manner, which is to have people seating  
23 separately.

24           And I -- I raise that for two (2)  
25 reasons in the current context. The -- the

1 circumstance -- first of all, the circumstances in  
2 which joint empanelling works effectively is where you  
3 have two (2) witnesses who are dealing with the same  
4 scope of evidence. And while -- you know, while --  
5 while I understand there will be financial issues  
6 raised, the -- the example cited was Mr. -- I'm -- I'm  
7 forgetting his name, Valter (sic), who's -- Viola,  
8 thank you.

9                   While he's dealing with, you know,  
10 investment issues the -- the AON witnesses are dealing  
11 with a very specific issue in their report dealing  
12 with asset liability management. And their -- their  
13 expectation when they testify is that they're going to  
14 be speaking to the content of -- of their report, and  
15 not broadly on the overall composition of -- of MPI's  
16 investment portfolio. So it's -- it's not a  
17 straightforward matter that these witnesses are  
18 actually dealing with the same scope of -- scope of  
19 evidence.

20                   The second consideration that I would  
21 offer, Madam Chair, is that it can be more efficient  
22 to group witnesses by subject matter rather than by --  
23 you know, the -- the -- part of the logic of -- of  
24 empanelling experts like that is because they're  
25 dealing with the same subject matter. But by the same

1 token, if you have for example the -- the subject of  
2 PDR for example, and you have a Gartner expert, the  
3 subject matter experts from within MPI also have to  
4 deal with that issue on PDR.

5           And so it may actually be more  
6 efficient to group -- to have a single panel sitting  
7 of MPI's witness and the Gartner expert dealing with  
8 the same topic. And these are issues that, you know,  
9 we haven't worked through on our end in terms of what  
10 the efficient approach is. But I would simply caution  
11 at this point, if I -- if I can, to -- to -- that it  
12 would be premature at this point to do -- to -- to  
13 make any determinations in -- in that regard.

14           And, you know, at the -- at the end of  
15 the day, you know, MPI is responsible -- as it was  
16 alluded to, Madam Chair, at the beginning that MPI is  
17 responsible for making its case out and demonstrating  
18 its Application and, you know, within -- within limits  
19 in -- in my submission MPI should be given some  
20 latitude in terms of how it presents that case. And -  
21 - and, you know, the most effective way of doing so in  
22 its -- in its view.

23           So while I appreciate, in principle,  
24 that -- that co-panelling of experts may work and  
25 appreciate that it has been done successfully, I

1 believe, in that past in terms of the actuarial issues  
2 here and in other jurisdictions, it isn't necessarily  
3 the right thing to do in the current circumstances and  
4 -- and would ask that -- that MPI be given an  
5 opportunity to consider the issue further before --  
6 before proceeding.

7                   One (1) of the things that concerns me  
8 and MPI a little bit is that we really won't know the  
9 scope of the evidence of the Intervenors until quite  
10 late in the day before the hearing. And it -- it is a  
11 bit of a concern if we -- if -- if the co --  
12 impaneling of them occurs and the issue really isn't  
13 coextensive, if I can use that term, I'm not sure I'm  
14 misusing that term, but isn't -- isn't covering the  
15 same scope, it can be an issue.

16

17                   (BRIEF PAUSE)

18

19                   MR. MATTHEW GHIKAS:    Sorry, I was --  
20 did you have a question, Mr. Goss --

21                   BOARD PERSON GOSSELIN:    No.

22                   MR. MATTHEW GHIKAS:    Okay. And the  
23 only final point I would add in reply is that, in  
24 hearing My Friends speaking to the issues that they're  
25 -- that -- that are of interest to their -- to their

1 clients, road safety, for example, there is obviously  
2 some significant overlap in areas of interest among  
3 the parties.

4                   And it is -- you know, MPI would just  
5 simply reemphasize how useful it is from -- certainly  
6 from the overall efficiency perspective, the more  
7 coordination that parties can do in submitting IRs on  
8 similar topics, the more that can be done, the better,  
9 in terms of the efficiency of the process and the size  
10 of the record and would simply encourage parties to do  
11 that, as I'm sure they already intended to do.

12                   So that's my -- my final point in  
13 reply, Madam Chair.

14                   THE CHAIRPERSON:    Thank you very much,  
15 Mr. Ghikas.  I'll ask, Mr. Williams, did you some  
16 comments to make?

17

18 DISCUSSION

19                   MR. BYRON WILLIAMS:    Very brief.  And  
20 if I didn't welcome Mr. Ghikas to the process, I  
21 should have, and I apologize for that.  And there's  
22 some other new faces on the -- on the MPI team as well  
23 that we've had the pleasure of meeting, and I welcome  
24 them as well.

25                   Just from our client's perspective, in

1 terms of a workshop in August, we would be available  
2 if that's the Board's desire. I can't speak for  
3 others, but we certainly can make ourselves available.

4 I do agree with the wise counsel of MPI  
5 in terms of whether or not to have concurrent panels.  
6 I -- I believe it is a big premature. I just want to  
7 suggest our client's openness to that. And I did feel  
8 that that OEB decision that's found as Attachment D is  
9 useful if we are walking down that path. I think  
10 there's some good lessons that our friends in Ontario  
11 have learned that may be of some value.

12 And just to re -- reassure the panel,  
13 in terms of both cross-examination and Information  
14 Requests, certainly with our -- our friends from Bike  
15 -- Bike Winnipeg, and also with the CMMG, there'll be  
16 some conversation. And -- and I want to assure you  
17 that we actually coordinate our crosses to a fair  
18 degree on -- on road safety issues in terms of who's  
19 going to do -- to do what.

20 So, from our -- our client's  
21 perspectives, those are the only additional comments I  
22 have to make.

23 THE CHAIRPERSON: Thank you. Mr.  
24 Gosselin...?

25 BOARD PERSON GOSSELIN: I didn't hear

1 from MPI any comments about the budget that's being  
2 proposed by the parties. I'm specifically interested  
3 in what your comments are about the budget that's been  
4 proposed by CAC.

5 Are you -- I take it that the silence  
6 on that issue means that you're not objecting to  
7 what's being proposed?

8 MR. MATTHEW GHIKAS: No, MPI isn't --  
9 isn't making any objection or -- or is really  
10 reserving comment in terms of the -- the budget. We --  
11 -- we have no submissions on the -- on the -- the size  
12 of the budget. And, you know, provided they can --  
13 the Board is -- is content with the -- the scope of  
14 the -- of the expert evidence being on point and  
15 probative to -- and -- and of assistance to the Board,  
16 we certainly have no comments on the specific amounts  
17 claimed or anything of that nature.

18 BOARD PERSON GOSSELIN: I just want to  
19 make an observation that, you know, one (1) of the  
20 things that this Board -- and I'm thinking of the  
21 Board in total, I mean, we've been focusing quite  
22 extensively on making changes to processes and making  
23 changes to our approach to hearings.

24 And -- and one (1) of the outcomes of  
25 this process I hope -- of this particular MPI process

1 will be -- I hope will be further recommendations to  
2 this Board about how we might improve the processes of  
3 the Board going forward.

4                   So, you know, I hope that at some point  
5 we'll have the opportunity to discuss that and -- and  
6 make sure that -- that this Board continues to  
7 innovate in the way it approaches hearing processes  
8 and -- and the way in which applications are addressed  
9 by this Board.

10                   And I might add that, just to give you  
11 some advance warning, this Board will be undertaking a  
12 new strategic planning process in the fall with the  
13 hope of developing a new strategic plan for the -- for  
14 the years 2017 and on.

15                   And so you might want to think -- the  
16 parties in this room might want to think about what  
17 should be included in those plans. The current plan  
18 of the Board is in -- is on its website, and I would  
19 suggest that you take a look at that, but also start  
20 thinking about what the Board could be focussing on in  
21 the future.

22                   We will be undertaking a consultation  
23 process, and so I'm just giving you fair warning.  
24 Start thinking about that right now so that we improve  
25 the -- we improve the outcome of that strategic

1 planning process.

2                   And, you know, one (1) particular area  
3 that has been a complain -- an area of concern for MPI  
4 has been the number of IRs.

5                   So we're deeply interested in  
6 particular in how we manage IRs and what we could do  
7 collectively to -- to make the -- the IR process more  
8 manageable and more fruitful. So you might want to  
9 start thinking about recommendations that would be  
10 appropriate in that area.

11                   And I think that's all.

12                   THE CHAIRPERSON: Thank you very much,  
13 Mr. Gosselin.

14                   Mr. Molin, did you have -- Monnin, did  
15 you have any questions or comments?

16                   MR. CHRISTIAN MONNIN: No. I would  
17 just echo what my friend Mr. Williams said with  
18 regards to collaboration with respect to IRs and on  
19 the issue of make -- ensure -- ensuring that there's  
20 no overlap on -- on the issues.

21                   THE CHAIRPERSON: Ms. Miller, did you  
22 have any comments? Okay. Thank you very much.

23                   MS. ERIKA MILLER: No.

24

25   (BRIEF PAUSE)

1                   THE CHAIRPERSON:    Okay.  Well, then  
2 this concludes our MPI pre-hearing conference for the  
3 2017/'18 General Rate Application for MPI.  And I  
4 think the spirit of collaboration in this process --  
5 hearing process is appreciated.

6                   I would like to thank our Board  
7 counsel, Ms. Grammond, and her team; Ms. -- Mr. Ghikas  
8 and the MPI -- MPI counsel and his team; Mr. Williams,  
9 CAC, and his colleagues; Mr. Oakes from CMMG; Ms.  
10 Miller and her colleague from CAC; Mr. Monnin and his  
11 colleagues from Bike Winnipeg.

12                   And a special thanks to Sean Coleman  
13 from Digi-Tran who's been recording our processes, and  
14 Diana Villegas for managing our files for us,  
15 electronic files.

16                   We look forward to seeing you in the  
17 fall and carrying on with the actual hearing of the  
18 General Rate Application.  Thank you, and have a  
19 wonderful summer.

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21 --- Upon adjourning at 10:58 a.m.

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Sean Coleman, Mr.