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June 25, 2020

VIA EMAIL

Public Utilities Board of Manitoba
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

Attention: Dr. Darren Christle, Secretary and Executive Director

Dear Ms McMillin:

Re: Manitoba Public Insurance (MPI) 2021 General Rate
Application (GRA) – Application for standing and pre
qualification of witnesses

We attach the application for standing to MPI's 2021 GRA, on behalf of Unicity Taxi Inc. and Duffy's Taxi Inc. (jointly the 'Taxi Coalition').

Pursuant to your letter date June 17, 2020, the Taxi Coalition intends to seek prequalification of two potential witnesses, Patrick Bowman and Jeff Crozier, both from InterGroup Consultants of Winnipeg.

Mr. Bowman's areas of expertise include the application of regulatory principles and concepts appropriate for regulated crown utilities. With respect to MPI's application it is anticipated this may include reviewing financial forecasts and revenue requirements, cost allocation principles and rate design.

Mr. Bowman has testified before utility regulatory tribunals in British Columbia, Alberta, Manitoba, Newfoundland and Labrador, Yukon and the Northwest Territories on issues of revenue requirement, regulatory governance, risk evaluation, cost of service, and rate design.

Mr. Crozier was the Director of Regulatory Affairs at MPI from 2016 to 2020. In this capacity he was accountable for and oversaw the development of MPI's annual General Rate Application, and the regulatory process. Mr. Crozier's area of expertise includes the regulated auto insurance, generally, and will compliment and bridge Mr. Bowman's experience to MPI's 2021 GRA. Mr. Crozier has not testified before a regulatory tribunal.

The CVs of Patrick Bowman and Jeff Crozier are attached.

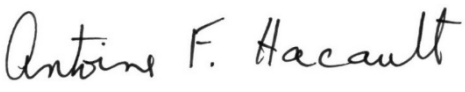
The extent of the evidence to be adduced on behalf of the Taxi Coalition, if any, will be determined upon completion of discovery. It is expected at this time that evidence will address a subset of issues identified by the Taxi Coalition in the attached application for standing. Mr Bowman is only expected to be engaged in this intervention in the event that evidence is adduced.

Also attached to this letter is the PUB's intervener cost template which outlines the Taxi Coalition's expected budget, at this time.

I am available to discuss any matters related to this application for standing, at your convenience.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Per: 

Antoine F. Hacault*

AFH/jc
Enclosure

cc:
Kathleen McCandless, Board Counsel
Robert Watchman, Board Counsel
Steve Scarfone, MPI Counsel
*Services provided through A. F. Hacault Law Corporation

INTERVENER APPLICATION FORM

Application re Hearing:			
Name of Prospective Intervener (Organization Name or Individual):			
Prospective Intervener Contact Information			
Organization or Individual Address:			
Organization Contact Person(s) (if applicable):			
Contact Information:	Business:		Other Phone:
	Fax Number:		Email:
Representative Contact Information:			
Counsel or Representative Name(s):			
Organization (if different from above) :			
Address (if different from above):			
Contact Information (if different from above):	Business:		Other Phone:
	Fax Number:		Email:
Counsel Seniority:			
Years of Experience	_____ Years	Tariff Rate	\$ _____
Also representing (if applicable):			

Additional Information

(For organizations only) Please describe the mandate of your organization and provide a description of the membership, including the number of members. Please also confirm whether the organization's intervention in this proceeding is supported by a resolution of the governing body, if any. Please enclose the resolution, if any, with your Application, along with supporting documentation of your mandate and membership

Please state your reasons for intervening in this proceeding:

Please state how you are directly affected by the Board's decision in this matter:

Please explain whether and how you represent a substantial number of ratepayers that are otherwise not represented on issues that are within the scope of this proceeding:

Please describe your experience, information, or expertise relevant to this matter that would contribute to the Board's decision making, including any other prior interventions in regulatory matters before this Board or other decision-makers:

Please list the key issues you intend to address in the proceeding. Please be specific.		
Do you intend to participate fully and actively, including attendance at hearings, submission of evidence, and testing of evidence and cross examination of witnesses? If yes, please describe your intended participation.		
Do you intend to request an award of costs for your participation? Please explain how you meet the criteria for an award of costs.		
Do you intend to retain experts or consultants? If yes, please attach copies of the <i>curriculum vitae</i> for any expert and/or consultant, as well as the following:		
Expert Consultant #1:		
Name:	Experience	Evidence to be provided on issues in scope:
	_____Years	
Telephone #:	Tariff Rate:	
	\$_____	
Address and Email:	Firm or Organization:	Brief explanation of experience relevant to evidence to be provided:

Expert Consultant #2:		
Name:	Experience:	Evidence to be provided on issues in scope:
	_____Years	
Telephone #:	Tariff Rate:	
	\$_____	
Address and Email:	Firm or organization:	Brief explanation of experience relevant to evidence to be provided:
Expert Consultant #3:		
Name:	Years of Experience:	Evidence to be provided on issues in scope:
	_____Years	
Telephone #:	Tariff Rate:	
	\$_____	
Address and Email:	Firm or organization:	Brief explanation of experience relevant to evidence to be provided:

Do you intend to provide evidence from witnesses other than experts and/or consultants? If yes, please provide:	
Witness #1:	
Name:	Evidence to be provided on issues in scope:
Email:	Brief explanation of relevant experience and/or knowledge to issues in scope:
Address and Phone number:	
Do you intent to seek approval for any other form of participation or provision of evidence, including for which you intend to seek an award of costs? If yes, please provide details and an explanation of the relation to issues in scope in the proceeding.	

Additional Information

(For organizations only) Please describe the mandate of your organization and provide a description of the membership, including the number of members. Please also confirm whether the organization's intervention in this proceeding is supported by a resolution of the governing body, if any. Please enclose the resolution, if any, with your Application, along with supporting documentation of your mandate and membership

Duffy's Taxi and Unicity Taxi are independently operated dispatch companies providing service in the city of Winnipeg, and surrounding area, which together represent approximately 80% of the 617 Taxicab Vehicles-for-Hire (Taxi VFH)¹, and 22% of the Accessible Vehicle Vehicles-for-Hire in Manitoba. Duffy's and Unicity are collaborating for the purpose of this intervention, on issues of common concern related to the premiums and characteristics of vehicle for hire insurance use. The Taxi Coalition anticipates consulting with smaller taxi dispatch companies to ensure broad representation of Taxi VFH interests in the city of Winnipeg and other municipalities like Brandon, Thompson etc.

Please state your reasons for intervening in this proceeding:

The Taxi Coalition seeks to intervene in this proceeding in order to test the reasonableness of insurance premiums for Taxi VFH against the Passenger VFH insurance use, which offer substantially similar services in the personal transportation services market. The Taxi Coalition intends to examine experience forecasting and ratemaking approaches and rating assumptions that generate differences in insurance premiums between Passenger and Taxi VFH insurance uses. The Taxi Coalition may also examine the reasonableness of forecasting and ratemaking approaches for Accessible VFH and Limousine VFH insurance uses, and All Purpose Private Passenger insurance use for comparison to the Taxi VFH approach.

The Taxi Coalition also intends to examine the implications of current Driver Safety Rating (DSR) system for VFH insurance uses, including the effect of vehicle premium discounts and Drivers License surcharges on just and reasonable premiums.

Finally, the Taxi Coalition intends to explore the efficacy and implications of certain loss prevention programs targeted at the Taxi VFH industry. The Taxi Coalition is aware that Road Safety matters have been deferred from the preliminary issues list in Order 79/20, but notes that its canvassing of this issue is related to the improving loss experience among Taxi VFH insureds and is directly relevant to rate setting, as opposed to the broader road safety mandate of MPI that is the subject of a Technical Conference in 2021.

¹Per RM Appendix 4 of 2020 GRA

Please state how you are directly affected by the Board's decision in this matter:

This proceeding will determine rates charged for VFH insurance uses for the 2021/22 insurance year. Material differences in the insurance premiums charged to Taxi VFH and Passenger VFH can have impacts on an increasingly competitive vehicle for hire industry. Ensuring that premiums are fair, accurate, and cost based, will promote a level playing field in the industry, and serve the interest of Manitobans through fair and efficient competition within the vehicle for hire industry.

Finally, the Taxi Coalition's intervention may inform the Public Utilities Board and MPI on the issues and approaches to consider as part of the forthcoming review of the DSR system, pursuant to Directives 11.8 and 11.9 of Order 130/17.

Please explain whether and how you represent a substantial number of ratepayers that are otherwise not represented on issues that are within the scope of this proceeding:

The Taxi Coalition directly represents approximately 80% of the Taxi VFH vehicles, and 22% of the Accessible VFH vehicles insured in Manitoba, and intends to consult with smaller dispatch operators to ensure that the issues examined in this proceeding reflect the range of issues concerning Taxi, Accessible, and Passenger VFH premiums.

Additionally, all ratepayers may benefit from examination of DSR system and customers of vehicles for hire benefit from a fair and competitive industry.

Finally, no intervener group has directly intervened on behalf of the taxi industry in the recent past, nor has any intervener group explored at any significant length, the details of Taxi VFH forecasting and ratemaking approaches, and the experience that MPI has gained since the PUB approved VFH interim rates in Order 11/18.

Please describe your experience, information, or expertise relevant to this matter that would contribute to the Board's decision making, including any other prior interventions in regulatory matters before this Board or other decision-makers:

The Taxi Coalition has made non-evidentiary submissions in the 2020 General Rate Application, and the 2018 Interim Vehicles for Hire Application.

For the 2021 GRA, the Taxi Coalition has hired counsel and expert consultants with significant experience before the PUB and in the field of regulated auto insurance.

Considering the relative scarcity of information and limited investigation of Taxi VFH issues in recent General Rate Applications, a detailed examination of these issues to populate the record of the proceeding should be of assistance to the Board.

Please list the key issues you intend to address in the proceeding. Please be specific.

At this time, the Taxi Coalition expects to examine the following specific issues, related to the broader preliminary issue categories outlined in PUB Order 79/20:

Issues 1, 2, 11, and 12

1. Actual loss ratios for Taxi VFH and other VFH uses, and the appropriateness of premiums on an actual and forecast basis;
2. Differences between experience indicated and applied-for rates, including the rate of change as Passenger VFH experience develops;
3. VFH Rating assumptions related to competition within the personal transportation services industry, and VFH rating assumptions related to DSR discount availability, as explained in the 2018 Interim Vehicles for Hire Application.
4. Implications of rate caps for Passenger VFH in the event they are binding on the indicated rate increases for Passenger VFH;
5. Implications of flat rating Taxi VFH as compared to the approaches used for Passenger VFH;
6. Appropriateness of the Taxi VFH vehicle use definition, including appropriate distinctions with Passenger VFH vehicle use definition;
7. Appropriateness of the VFH pool, including examination of any cross subsidization within or outside of the pool, and impacts (if any) of incorrectly reported claims from Passenger VFH insured vehicles (e.g. claiming an accident occurred without a passenger, or the timing of the accident relative to time band coverage);
8. Implications of Taxi VFH's Public classification, relative to other VFH vehicle uses, including the impact of major drift calculations between Public and Private Passenger major classes;
9. Appropriateness of VFH commercial coverage time bands, examination of customer uptake of different time bands, and the appropriateness of the differential pricing of time bands;
10. Follow up on commitments from MPI, and PUB directives contained in the 2018 VFH Interim application, 2019 and 2020 General Rate Applications, related to Taxi VFH premiums, and experience and ratemaking;

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Taxi Coalition Intervener Application Form
Attachment A

11. Review status and next steps of loss prevention initiatives for Taxi VFH, including a review of program evaluation for the Mobile Eye aftermarket collision warning system;
12. The extent of consultation with the Taxi industry on the issues of loss prevention, rate design, business processes for claims handling, improving loss experience, and driver training; and
13. Insights from other provinces on comparable Passenger VFH and Taxi VFH claims experience, rates, and rate design.

Issues 4, and 13

14. Impact of Taxi VFH DSR upgrade factor on Basic's Revenue forecast;
15. Implications and fairness of the DSR system on vehicle premium discounts for good driving records, including DSR discounts applicable to Taxi VFH vehicles;
16. Implications of the competitive impact that the significant differential in insurance cost may have on the profitability and competitiveness of personal transportation services industry;

Issue 18

17. The impact of COVID-19 public health measures on claims experience of Taxi and Passenger VFH, and the potential for further rebates.

Issue 17

18. Implications of the provisional and final rate indication (to be filed on October 9, 2020) on Taxi VFH premiums;

Issue 19

19. The impact to Taxi VFH insurance uses of changes to coverage and deductibles to be enacted through the Automobile Insurance Coverage Regulation.

Do you intend to participate fully and actively, including attendance at hearings, submission of evidence, and testing of evidence and cross examination of witnesses? If yes, please describe your intended participation.

Yes. The intervention will include participation in prehearing conference and submissions on the final issues list, discovery through first and second round information requests, expert evidence if required, cross examination of MPI witnesses and closing submissions. The Taxi Coalition intends to collaborate with the Consumers' Association of Canada (Manitoba) Inc. (CAC) with respect to any overlapping issues in their respective interventions. The Taxi Coalition hopes that any issues identified for oral hearing will be organized so it can limit its attendance to days on which issues relevant to the Taxi Coalition are addressed.

Do you intend to request an award of costs for your participation? Please explain how you meet the criteria for an award of costs.

Yes, the Taxi Coalition intends to seek an award of costs.

The Intervener Cost Policy at Section 3.0 outlines the eligibility requirements for cost award. These are:

3.1 In any proceeding the Board may award costs to be paid to any Intervener who has:

- (a) made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;
- (b) participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;
- (c) represented interests beyond their sole business interest; and
- (d) a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of ratepayers.

The Taxi Coalition will satisfy part (a) by working with qualified established legal counsel and expert consultants who have significant regulatory experience, both before this Board, and in the field of regulated auto insurance. Given the absence of a focused intervention on matters impacting Taxi VFH and VFH insurance uses generally, the Taxi Coalition expects that investigating these matters will benefit the Board in its determination of just and reasonable rates, and assist other parties in understanding the issues.

For part (b), the Taxi Coalition will coordinate with other interveners on matters of common interest to avoid duplication and promote efficient proceedings, including in particular the Consumers Association of Canada (Manitoba) Inc. The Taxi Coalition is retaining the same firm to provide expert consultant services. In this regard, the Taxi Coalition expects to reduce costs through certain jointly shared activities, such as reviewing the application and information requests (IR) responses.

For part (c), the Taxi Coalition intends to consult with other dispatch companies in Manitoba to ensure the intervention represents the broadest cross section of Taxi VFH interests. Certain issues the Taxi Coalition intends to examine will contribute to a level

Manitoba Public Insurance 2021 General Rate Application
Taxi Coalition Intervener Application Form
Attachment A

playing field in the personal transportation services industry, which is to the benefit of all customers of that industry. Finally, examination of certain issues should inform MPI's review of the DSR pursuant to Order 130/17.

For part (d), the Taxi Coalition intends to represent interests of a significant majority of Taxi VFH insureds, as well as the general interests of customers of the personal transportation services industry.

Do you intend to retain experts or consultants? If yes, please attach copies of the curriculum vitae for any expert and/or consultant, as well as the following:

Expert Consultant #1:

Jeff Crozier
InterGroup Consultants Ltd.
Suite 300, 259 Portage Ave, Winnipeg, MB R3B 2A9
jcrozier@intergroup.ca
cell: 204-880-1151

Tariff Rate: \$195/hr

Experience: 13 years professional experience, in the areas of Utility Rate Regulation, Auto-insurance Rate Regulation, and Competitive Wholesale and Retail Electricity Markets

Evidence to be provided on issues in scope: The extent of the evidence to be adduced on behalf of the Taxi Coalition will be determined upon completion of discovery. It is expected to address the issues identified by the Taxi Coalition in this Application.

Brief explanation of experience relevant to evidence to be provided: Mr. Crozier was the Director of Regulatory Affairs at MPI from 2016 to 2020. In this capacity he was accountable for and oversaw the development of MPI's annual General Rate Application, and the regulatory process. Mr. Crozier has a working knowledge of regulated auto insurance in Manitoba, and the issues facing Taxi VFH customers, and will compliment and bridge Mr. Bowman's experience to MPI's 2021 GRA. Mr. Crozier has not testified before a regulatory tribunal.

Mr. Crozier's CV is attached.

Expert Consultant #2 (if needed):

Patrick Bowman
Bowman Economic Consulting Inc
161 Rue Hebert Winnipeg, MB R2H 0A5
PBowman@intergroup.ca

Manitoba Public Insurance 2021 General Rate Application
Taxi Coalition Intervener Application Form
Attachment A
204-296-2839

Tariff Rate: \$240/hr

Experience: 20+ years professional experience, in the areas of Utility Regulation and Rates, Project Development and Planning, and Utility Resource Planning

Evidence to be provided on issues in scope: The extent of the evidence to be adduced on behalf of the Taxi Coalition will be determined upon completion of discovery. It is expected to address the issues identified by the Taxi Coalition in this Application.

Brief explanation of experience relevant to evidence to be provided: Mr. Bowman's areas of expertise include the application of regulatory principles and concepts appropriate for regulated crown utilities. With respect to MPI's application it is anticipated this may include reviewing financial forecasts and revenue requirements, cost allocation principles and rate design.

Mr. Bowman has testified before utility regulatory tribunals in British Columbia, Alberta, Manitoba, Newfoundland and Labrador, Yukon and Northwest Territories on issues of revenue requirement, regulatory governance, risk evaluation, cost of service and rate design.

Mr. Bowman's CV is attached.