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*By Email*

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

**Attention: Dr. Darren Christle,**

Dear Sirs/Mesdames:

**Re: Manitoba Public Insurance  
Application to Review and Vary Order 4/23**

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The Taxi Coalition (“TC”) acknowledges receipt of MPI’s Application to Review and Vary Order 4/23 and appreciates the opportunity to comment in response.

The TC’s submissions in response are limited to areas with the scope of its intervention and which affect the TC.

Pursuant to section 44(3) of *The Public Utilities Board Act*, and Section 36 of the Public Utilities Board Rules of Practice and Procedure, the PUB has the authority to review, rescind, change, alter or vary any decision or order made by it.

*Public Utilities Board Act, CCSM c P280, s 44(3)*  
*PUB Rules of Practice, s 36 (“PUB Rules”)*

Overall, the TC submits that the review and variance application with respect to the following should be dismissed as there is no basis for the directives to be rescinded, changed, altered or varied:

- (a) Directive 12.6, Fleet Program Proposal; and
- (b) Directive 12.15, DSR Discounts and Appendix A.

Each will be addressed in turn.

**(a) Directive 12.6 Fleet Program Proposal**

Directive 12.6 in PUB Order 4/23 directed that in the 2024 GRA, MPI shall file an analysis and proposal for modifications to the fleet program to better reflect cost causation.

MPI proposes to vary Directive 12.6 such that instead of requiring MPI to file an analysis and proposal for modifications to the fleet program in the 2024 GRA, it be allowed to file a multi-year

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plan that outlines and reports on how it intends to conduct a more formal review of its fleet program. The fleet program review proposed by MPI will, according to MPI, involve more than simply an analysis of its cost causation methodology (as required under the current Directive 12.6) and will be intended to inform the development of a revised fleet insurance framework. MPI anticipates that this plan will be executed over multiple years.

While the TC is not necessarily opposed to having MPI undertake a broader review and analysis of its fleet program, the TC does have concerns about the absence of a specific timeframe in which MPI intends to complete its broader review. The cross-subsidization inherent in the current fleet program needs to be eliminated in a timely manner, recognizing that this issue was initially addressed in PUB Order 134/21, Directive 11.5 (subsequently varied in PUB Order 21/22). The TC does not wish to see meaningful progress in the elimination of cross-subsidization jeopardized by vague and poorly defined timelines for ‘review and analysis.’

Consequently, if Directive 12.6 is to be varied, it should include a timeframe within which MPI is required to file its review plan for improvements and/or revisions to its fleet insurance framework, which plan will include a proposal to alleviate the cross-subsidization. Otherwise, the Directive should remain as is.

**(b) Directive 12.15, DSR Discount and Appendix A**

MPI seeks to have Directive 12.15 varied, changed and/or altered to remove the requirement for it to move all DSR discounts one-fourth of the way to actuarial indications. MPI also seeks (within its request to vary, change and/or alter Directive 12.14) to have the Board to vary, change and/or alter PUB Order 4/23 to find that it complied with Directive 11.15 from PUB 134/21 and otherwise requests for the Board to rescind Appendix A.

MPI’s stated reasons for wanting to vary Directive 12.15 are twofold: it wants to avoid disruption in rates and it wants to wait until after it has implemented the new GLM before making any significant adjustments to the DSR.

Notably, MPI has not brought forward any new evidence, nor has it alleged any error in fact, law or jurisdiction. As such, MPI has failed to meet the criteria set out in PUB Rule 36(5). Instead, MPI is advancing the exact the same position it took during the 2023 GRA hearing. The request for a variance on this issue is, in other words, an attempt by MPI to relitigate a matter which has already been considered and already decided.

As noted during the hearing, for at least the past three GRAs, there has been recognition of extensive cross-subsidization within the DSR system and that the magnitude of vehicle premium discounts provided at each DSR level is not actuarially indicated. MPI’s approach to remedy the cross-subsidization involves incremental adjustment to DSR discount levels while it waits to transition to GLM. Previous Board Directives, however, and in particular, Directive 11.15 in PUB Order 134/21, directed MPI to bring forward a DSR transition plan to manage the required increase in the base rate and year-to-year rate dislocation, while moving the DSR vehicle discounts and driver premiums to actuarial targets in a ‘timely manner.’

Despite Directive 11.15 in PUB Order 134/21, MPI has made no substantive changes to its plan to address the DSR cross-subsidization from the 2022 GRA and has no adequate transition plan in place. This fails to comply with the requirement that the transition take place in a timely manner. MPI has, therefore, failed to comply with Directive 11.15 in PUB Order 134/21. As such, MPI's request to have the Board to vary, change and/or alter PUB Order 4/23 to find that it complied with Directive 11.15 from PUB 134/21 and otherwise rescind Appendix A also ought to be dismissed.

Further, MPI acknowledged at the hearing that GLM will not be introduced in 2024 and may not even be introduced in 2025. In the meantime, the cross-subsidization continues. Timing on this issue matters: with each year that passes, the best drivers continue to pay more than they should. A remedy to this problem ought not to be postponed any longer. There is no basis to vary, change or alter Directive 12.15.

### **Conclusion**

The TC therefore submits that MPI's application to vary, change or alter Directive 12.6 should only be allowed if strict timelines are included. As far as Directive 12.15 is concerned, MPI's application to have it varied, changed or altered should be dismissed. Finally, MPI's request that PUB Order 4/23 be varied, changed or altered to find that it complied with Directive 11.15 from PUB 134/21 should similarly be dismissed.

Yours truly,

**FAST TRIPPIER WITTMAN LLP**

Per:

  
**FOR:**  
**Karen R. Wittman\***

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*\*practicing through Karen Wittman Law Corporation*

cc: PUB Counsel  
MPI Counsel  
Counsel for Interveners