



For many Manitobans, the words “regulatory hearings” invoke visions of technical, bureaucratic, and (most likely) boring proceedings. Regulatory hearings are not something people attend for excitement or entertainment purposes, but they are vitally important, as their outcomes affect the day-to-day lives of every Manitoban.

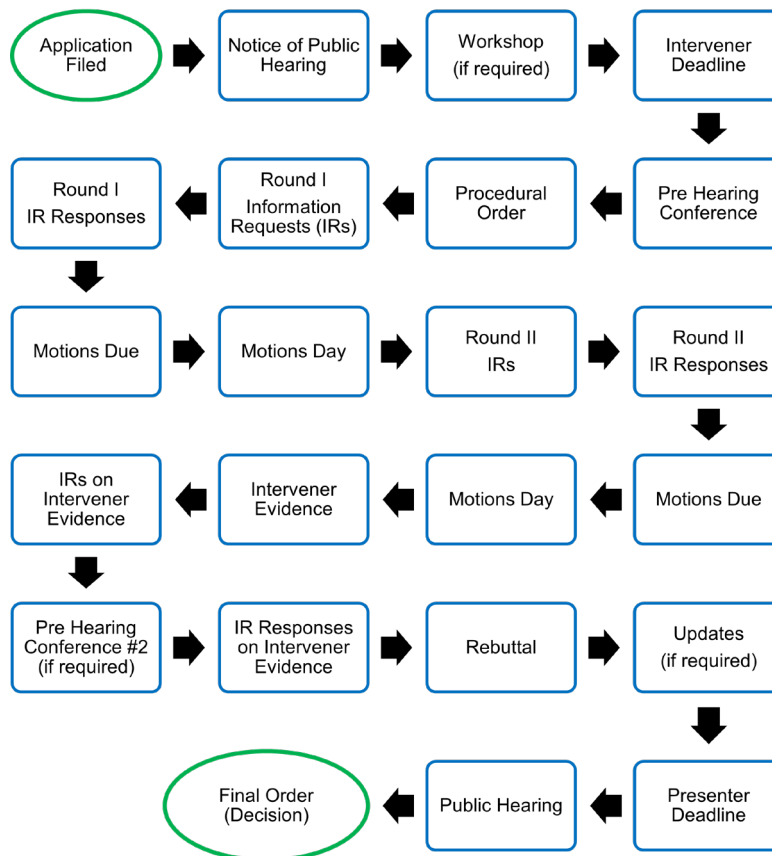
In the last edition of [The PUB Post Spotlight](#), we wrote about transparency being a cornerstone of the PUB’s approach to both protecting the public interest and in maintaining institutional integrity. As part of its commitment to transparency, the PUB strives to educate Manitobans about its processes. This Spotlight edition will focus on PUB processes, why they change depending on the matter before the PUB, and how they are communicated to those involved.

There are times when circumstances pre-determine the processes to be followed:

- An Order in Council issued by the Lieutenant Governor may require a certain type of hearing. One example is the 2014 [Needs For and Alternatives To](#) (NFAT) hearing that looked at Manitoba Hydro’s development plan. The NFAT hearing was one of the largest PUB hearings, and the Order in Council contained Terms of Reference that were very specific as to scope, roles, and process.
- Legislation, such as *The Efficiency Manitoba Act* identifies specific tasks for the PUB, such as reviewing efficiency plans and submitting a [report with recommendations](#) to the responsible minister.
- Under *The Consumer Protection Act*, every three years (or at the request of the minister responsible) the PUB reviews the “cost of credit rates” charged by payday lenders (interest and service fees incurred by customers). As part of its duties, the PUB must also review and determine fee rates for government cheque cashing services. A public hearing on these two issues is scheduled to start [December 6, 2024](#).
- The Surplus Energy Program (SEP) was established in 1999, to make surplus energy available to industrial customers on an interruptible basis, with prices set based on a forecast of the expected source of SEP energy and prices. SEP rates are [submitted weekly to the PUB for approval](#) on an ex parte basis (without public notice or hearing). The program is expected to “break even” on an annual basis. This means that the revenue raised is expected to be approximately the same as if the power had been sold on the opportunity export market.

And then there are [general rate application hearings](#) (GRAs), most of which are open to the public. When we talk about GRAs, we use two categories to describe them: **energy** (which includes electricity, natural gas, propane and basic automobile insurance) and **water & wastewater**. GRAs for basic automobile insurance (Manitoba Public Insurance) are included in the same discussion category as energy as the *process* followed is more-or-less the same.

## Process Structure – Energy (and MPI) General Rate Application Hearings



The PUB process allows for a certain amount of flexibility to deal with situations as they arise. Depending on the details of the GRA, certain steps may not be required and are bypassed, or additional steps may be needed and added. It was mentioned earlier that "...most of which are open to the public". Not all GRAs require a public hearing, such as the quarterly applications relating to natural gas and propane commodity rates. Gas and propane commodities are sold on a cost recovery basis meaning the provider passes on its costs to customers, without markup. As well, portions of a GRA may be held "in camera" (in private session) when commercially sensitive information is provided. The PUB's Rules of Practice sets out a process for how the sensitive information is received, reviewed and adjudicated.

At each step in the GRA process, there are specific procedures that are followed. These procedures are communicated to Manitobans and hearing participants in a variety of ways, including (but not limited to):

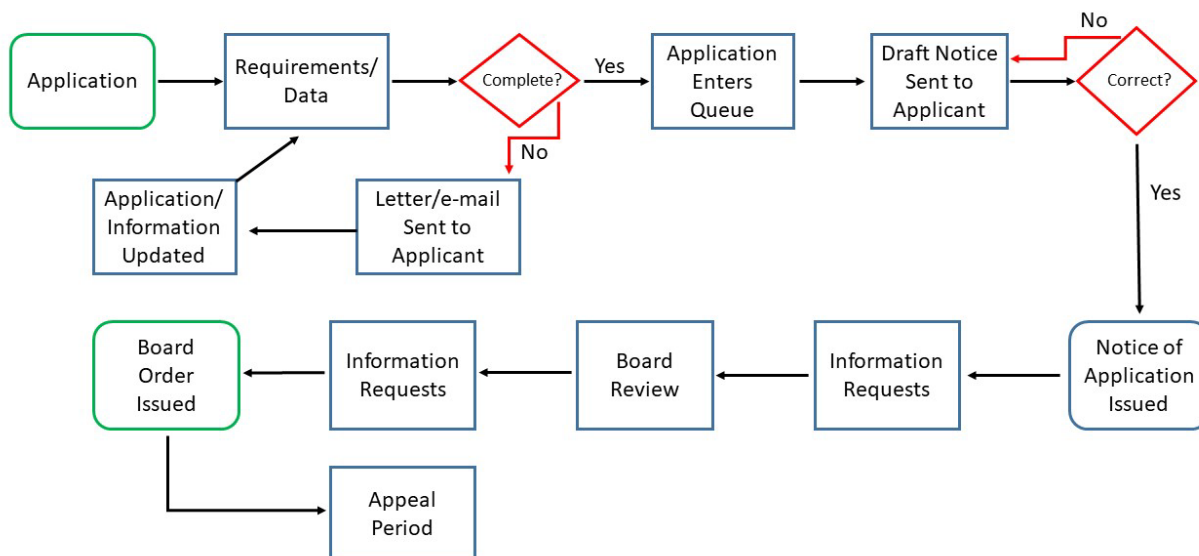
- The PUB's [Rules of Practice and Procedure](#) (available online).
- Notice of Public Hearing (published in newspapers, municipal offices, online, and sometimes as utility bill inserts).

- Procedural Orders (distributed directly to participants and available online).

Materials associated with a GRA are made available to interested parties (hearing participants, Manitobans, and anyone else who wants them) on the PUB website and sent to hearing participants as they become available. Transcripts of proceedings, including prehearing conferences and workshops, are also included in the sharing of GRA information, and the public hearings are livestreamed as part of the PUB's commitment to transparency and promoting public participation in its regulatory process.

It's worth noting that a committee of Board Members has been tasked with reviewing and updating the Rules of Practice which were originally introduced in 2006 and revised in 2007. This is a lengthy and ongoing process which requires collaboration among past hearing participants, utilities, PUB staff, and Board Members. We anticipate the updated Rules of Practice to be completed in early 2025.

### Process Structure – Water & Wastewater Rate Application Hearings



Water and Wastewater (W&W) is one of the PUB's largest regulatory portfolios: one-third of our staff is dedicated to overseeing rates for approximately 240 utilities. Rate hearings for W&W applications are less formally structured, and generally follow a “[choose your own adventure](#)” process. Applications are reviewed in the order they are received; however, expedited applications (interim rates, simplified filings, etc.) are prioritized as they are generally small rate increases for a short period of time (interim), based on the previously established good financial standing of the utility (a requirement of the [simplified filing guidelines](#)).

Board Orders are issued with due dates, recommendations, and instructions for important information to be provided in the utility's next rate application. It is the responsibility of the applicant to review these items and ensure their applications meet these requirements. The speed of the review and approval process depends on the completeness of the application. Once staff determine an application is

complete and correct, it is added to the bottom of the application queue. If an application is incomplete, incorrect, or raises questions, formal information requests are sent to the applicant. This process may be repeated until the PUB determines the application is ready to proceed to the application queue. At any point, if an application is deemed to be grossly incomplete or incorrect it may be returned to the applicant to be corrected. If this happens, the application restarts the process from the beginning.

Once an application in the queue advances to a Notice of Application being issued, there are 45 days for stakeholders to provide feedback on the application. During this stage in the process, the panel of board members tasked with reviewing and deciding the application will determine the type of hearing required: written or in-person.

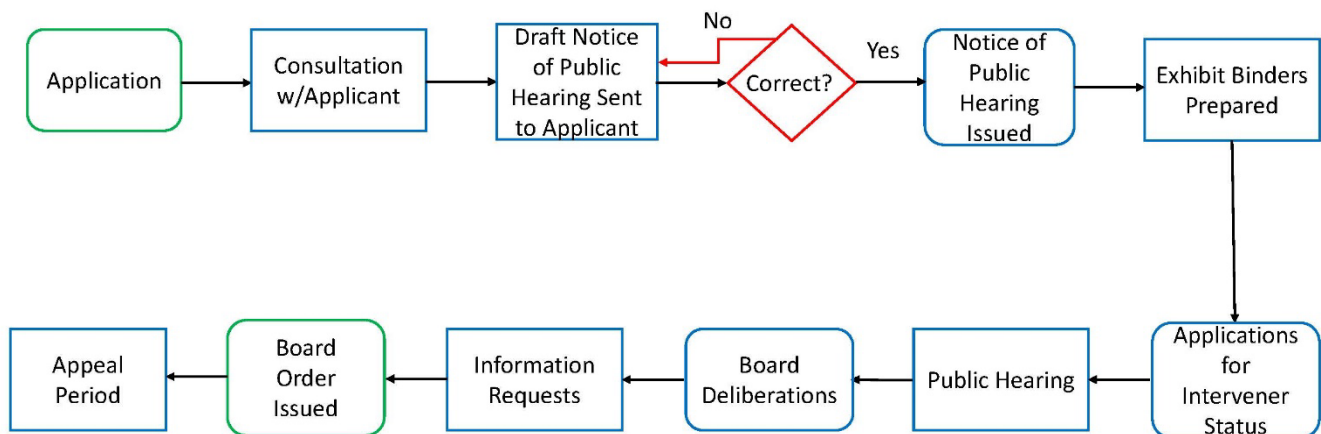
Most W&W hearings are “written” or paper-based reviews, conducted entirely through written submissions (see process map above). All evidence, arguments and replies are submitted in writing, and the decision (Board Order) is a result of a review of the information available at the time of the review.

A public hearing may be required for a variety of reasons, including but not limited to:

- Nature of the application or issues arising from an application
- Quantity and nature of the responses to the Notice of Application

If the board panel decides to hold a public hearing, the process changes.

### W&W Public Hearing Process



Public hearings are scheduled and arranged in consultation with the applicant, and a Notice of Public Hearing (similar to the Notice of Application) is published to advise the public and encourage their participation in the regulatory process.

In summary, at the end of the day, it really doesn't matter if the hearing is for energy, basic automobile insurance or water and wastewater - the PUB regulatory processes have been designed to promote transparency, accountability and public participation, and aid the PUB in building trust among

Manitobans. As mentioned earlier, the PUB is currently reviewing its Rules of Practice and Procedure. Stay tuned for updates on this project in a future edition of The PUB Post.