

MANITOBA ) Order No. 24/01  
 )  
THE PUBLIC UTILITIES BOARD ACT ) February 6, 2001

BEFORE: G. D. Forrest, Chairman  
E. Jorgensen, Member  
P. Britton, Member

**APPLICATION BY THE CONSUMERS' ASSOCIATION  
OF CANADA (MANITOBA) INC. AND THE MANITOBA  
SOCIETY OF SENIORS FOR AN AWARD OF COSTS  
FOR INTERVENING IN THE APPLICATION OF  
MANITOBA PUBLIC INSURANCE CORPORATION FOR  
APPROVAL OF ITS 2001 INSURANCE RATES**

The Public Utilities Board (the "Board") held a public hearing of the application by Manitoba Public Insurance ("MPI") for approval of its proposed driver and motor vehicle insurance rates effective March 1, 2001. The hearing was held at the Board's offices in Winnipeg from November 6, 2000.

Pursuant to Section 56 of The Public Utilities Board Act, the Board has jurisdiction to award costs of, and incidental to, any proceeding. The Board's Draft Rules of

Practice and Procedure ("Draft Rules") state the criteria and procedure for determining whether costs should be awarded to an intervenor. The Notice of Public Hearing advises the reader of the application of the Board's guidelines for the awarding of costs.

The Consumers' Association of Canada (Manitoba) Inc. and the Manitoba Society of Seniors ("CAC/MSOS") registered as joint intervenors.

Pursuant to the Board's Draft Rules, Mr. B. Williams, Counsel, on behalf of CAC/MSOS applied to the Board in a letter dated January 8, 2001 for an award of costs in the amount of \$53,933.94 comprising:

Professional fees:	
Legal	\$13,812.00
Consultants	<u>\$35,884.50</u>
	\$49,696.50
Disbursements:	
Total	<u>\$ 4,237.44</u>
 TOTAL	 <u>\$53,933.94</u>

CAC/MSOS indicated that in their respectful submission they met fully the Board's criteria for an award of costs in that the Association has a substantial interest in the outcome of the Board's proceeding, that the Association, as in the past, relies on an award of costs to fund their intervention and further that Association did participate in a responsible manner. Through their participation CAC/MSOS indicated that a

substantial contribution to the proceeding was made and in particular, CAC/MSOS addressed the three central questions to the proceeding which were:

1. The appropriate method for determining the rate stabilization reserve target;
2. The legitimacy of using basic insurance funds for the purposes of funding non insurance programs;
3. The magnitude and nature of any dividend or rate reduction.

MPI in a letter dated January 16, 2001 indicated that it does not oppose an award of costs but it does take strong exception to the quantum of fees charged by Econalysis. MPI noted that the areas addressed by Econalysis took up little hearing time or were matters considerably canvassed at last year's proceeding. MPI also questioned whether it was the proper role of CAC/MSOS to review matters outstanding as a result of a Board directive when the Board is capable of investigating such matters. When compared to prior year's costs, MPI noted the current costs of Econalysis were higher by 150% or \$21,429.50. The Corporation also indicated that an allowance of \$25,000 for Econalysis exclusive of disbursements would still represent a significant increase over the previous year's billing.

CAC/MSOS in a letter dated January 31, 2001 from Mr. B. Williams, Counsel for CAC/MSOS responded to MPI's comments.

CAC/MSOS stated that MPI fails to recognize that the key driver of Mr. Todd's response was the inadequacy of the MPI evidence and that if the Corporation had prepared a risk analysis that was responsive to the direction of the Board's Order, much of Mr. Todd's evidence would not have been necessary. This together with the evidence provided by MPI to support the Corporation's approach required time to review and analyse.

CAC/MSOS acknowledged the additional time spent at this rate proceeding and justified same by indicating it had hoped to bring information to the Board that would resolve the issue and achieve some finality. CAC/MSOS believes that the prior rate proceeding was an exceptional year and a more appropriate comparison is the 1999 GRA fees which totalled \$42,441. as compared to \$35,884.50 incurred in this year's review. During this proceeding. CAC/MSOS noted that in preparing his evidence and in the interest of minimizing costs Mr. Todd utilized less expensive assistance.

The Board has reviewed the Application for costs of CAC/MSOS and is satisfied that Applicant has met the criteria for an award of costs and that the costs are reasonable and accordingly, costs will be allowed in the sum of \$53,933.94.

**IT IS THEREFORE ORDERED THAT:**

1. Consumers' Association of Canada (Manitoba) Inc. and the Manitoba Society of Seniors be awarded costs of \$53,933.94 in making its intervention at the Manitoba Public Insurance Corporation's 2001

Insurance Rates Hearing.

2. Costs shall be payable by the Manitoba Public Insurance Corporation within 30 days of the date of this Order.

THE PUBLIC UTILITIES BOARD

Chairman

Secretary