

MANITOBA) Order No. 104/01
)
THE PUBLIC UTILITIES BOARD ACT) June 28, 2001

BEFORE: G. D. Forrest, Chairman
P. Britton, Member
D. Côté, Member

**PROCEDURAL ORDER FOR A PUBLIC HEARING
REGARDING THE APPLICATION OF THE MANITOBA
PUBLIC INSURANCE CORPORATION FOR APPROVAL
OF THE CORPORATION'S RATE BASES AND
PREMIUMS CHARGED FOR COMPULSORY DRIVER AND
VEHICLE INSURANCE COMMENCING MARCH 1, 2002
AND THE APPROVAL OF PARTIES APPLYING FOR
INTERVENOR STATUS**

The Public Utilities Board of Manitoba (the "Board") held a Pre-Hearing Conference (PHC) at its offices in Winnipeg, Manitoba on Monday, June 25, 2001 at 10:00 a.m. to consider the timetable to be followed at the public hearing of the application of Manitoba Public Insurance ("MPI") for approval of Rate Bases and Premiums charged for compulsory driver and vehicle insurance commencing March 1, 2002 and to consider applications for intervenor status. This Procedural Order flows from this hearing.

A Notice of Public Hearing and PHC dated May 28, 2001, was issued by the Board and filed at the PHC as Exhibit #PUB-1. The Notice described the proposed rate impact by major vehicle use categories including private passenger, commercial and public vehicles, motorcycles, trailers and off-road vehicles.

Board counsel filed, as Exhibit #PUB-2, a draft timetable that had been circulated to known parties prior to the PHC and as Exhibit #PUB-3, the Board's Draft Rules of Practice and Procedure dated April 28, 1992.

There are two schedules attached to this Order being Schedule "A", the Timetable for the hearing and Schedule "B", the Procedures to be followed at the hearing.

Parties wishing to obtain intervenor status were requested to address their respective applications in detail, to present the reasons for requesting intervenor status and to provide details of the areas of the MPI Application they wished to examine.

The following parties made applications for Intervenor status:

1. Canadian Automobile Association Manitoba (CAA).
A representative of CAA was not present at the PHC but informed the Board's Secretary that CAA requested Intervenor status on the same basis

as prior years (Intervenor Request Form is to be submitted);

2. Coalition of Manitoba Motorcycle Groups (CMMG) represented by its Counsel, Mr. Raymond Oakes (Intervenor Request Form submitted and received on June 18, 2001);
3. Consumers' Association of Canada (Manitoba) Inc./ Manitoba Society of Seniors (CAC/MSOS) represented by its Counsel, Mr. Byron Williams assisted by Ms. Bev Froese. (Intervenor Request Form submitted and received on June 22, 2001);
4. Insurance Brokers Association of Manitoba (IBAM). A representative of IBAM was not present. However, prior to the PHC IBAM advised the Board's Secretary that its representative would not be able to attend the PHC. (Intervenor Request Form submitted and received on June 21, 2001);
5. Manitoba Car and Truck Rental Association (MCTRA) represented by its Counsel, Mr. Jim Foran, with Mr. Don Miller, President and Mr. Sean Devlin, Vice-President of MCTRA also in attendance. (Intervenor Request Form is to be submitted);

6. Canadian Bar Association (Manitoba Branch) (CBA) represented by its Counsel Mr. Barry Steinfeld (Intervenor Request Form is to be submitted).

7. Mr. Norman Pownall attended the PHC for the first time. He advised the Board that his role in the public hearing is yet uncertain and based upon his observations at this PHC, he would be speaking to other participants and deciding in the near future whether he will be seeking intervenor status.

Those Intervenor Request Forms which had been filed were submitted to MPI for consideration and comment.

MPI was represented by Ms. M. McLaren, Vice-President, Corporate Insurance Operations and Mr. K. M. McCulloch, General Counsel.

APPLICATIONS FOR INTERVENOR STATUS

1. Canadian Automobile Association Manitoba

On the basis that the intervention of CAA is to be similar to prior years, MPI did not object to Intervenor status being granted to this intervenor.

The Board will grant intervenor status to CAA for this proceeding. CAA will be required to complete an Intervenor Request Form and file same as soon as possible.

2. Coalition of Manitoba Motorcycle Groups

As set out in its Intervenor Request Form and communicated by Mr. Oakes, CMMG indicated the purpose of its intervention is to assist in determining the validity of any increase in the cost of motorcycle insurance and to suggest changes in the insurance product and/or MPI's practices or policies with a view to reducing the loss experience. CMMG intends to appear throughout the hearing, to test the evidence and to present final argument. CMMG does not intend to adduce evidence. CMMG will be applying for costs.

MPI did not object to this Intervenor's application.

The Board will grant intervenor status to CMMG for this proceeding.

3. Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors

As set out in its Intervenor Request Form and as communicated by Mr. Williams, the reasons for the CAC/MSOS intervention are as follows:

1. To consider whether the proposed reduction in rates is sufficient;

2. To evaluate the reasons underlying the substantial increase in operating and claims costs;
3. To review the allocation of operating expenses both as to methodology and phase-in; and
4. To review the risk classification system with regard to rate groups.

CAC/MSOS intends to appear throughout the hearing, to participate in the testing of evidence and final argument. CAC/MSOS was uncertain as to whether it will call expert evidence but if so, will advise the Board accordingly immediately following the receipt of answers to the first round of interrogatories. CAC/MSOS will be applying for costs.

MPI did not object to this Intervenor's application for status. However, noting that the costs related to the intervention of CAC/MSOS last year rose considerably when, in MPI's view, no new issues arose out of MPI's Rate Application, MPI requested the Board to require CAC/MSOS to provide greater explanatory notes with its future application for costs. MPI indicated that relying on time sheets only was inadequate to assess the application for costs of CAC/MSOS.

Mr. Williams undertook to discuss this matter with MPI following the PHC and did indicate that he believed some accommodation could be made. This undertaking was noted by the Board.

The Board will grant intervenor status to CAC/MSOS for this proceeding.

4. Manitoba Car and Truck Rental Association

Counsel for MCTRA indicated that MCTRA was seeking Intervenor Status as it is not satisfied that the rates charged by MPI for U-drive vehicles are fair, reasonable, understandable or stable over time. MCTRA is looking to test MPI's evidence in this regard.

It was also indicated that MCTRA is not satisfied that MPI has adequately responded to the directive in Order No. 151/00 dealing with a review of U-drive classifications and that MCTRA wishes to examine that issue more closely.

It is unlikely MCTRA will be applying for costs but has chosen to leave that matter open.

MCTRA agreed to file a completed Intervenor Request Form as soon as possible.

MPI had no comment and no concerns with respect to this Intervenor's Application.

The Board will grant MCTRA Intervenor status.

5. Insurance Brokers Association of Manitoba

In its Intervenor Request Form, IBAM indicated that the purpose of its intervention is to monitor and, where appropriate, participate in the hearing. It intends to appear throughout the hearing and to present final argument. It does not intend to call or test evidence and will not be applying for costs.

MPI did not object to this Intervenor's application.

The Board will grant intervenor status to IBAM for this proceeding.

6. Canadian Bar Association (Manitoba Branch)

Mr. Steinfeld indicated that CBA exists for the benefit of its members and the general public. Part of its mandate is to ensure that the law in Manitoba has a practical effect and while CBA has not yet finalized its areas of concern relative to MPI's application, some areas that will be canvassed, in cooperation with all intervenors, include service, safety issues and financial result. CBA has not determined if it will call a witness, but will advise the Board as soon as possible. CBA will be applying for costs.

MPI expressed concern regarding the scope of CBA's intervention noting that an Intervenor Request Form had not yet been filed and CBA's reasons for intervening have not been

finalized. MPI acknowledged that some of the issues are within the scope of the hearing. MPI took no position with respect to costs at this time except to note that there is some question as to whether CBA will be able to meet the financial need test adopted by the Board.

Mr. Steinfeld indicated that CBA is fully aware of the Board's jurisdiction and once the Intervenor Request Form has been completed the role of CBA will be clear.

The Board will grant CBA intervenor status and cautions all parties to ensure that the issues to be addressed at the hearing fall within the Board's jurisdiction.

The Board takes no position with respect to the status of Mr. Pownall. The Board trusts Mr. Pownall will attend to this matter immediately and will inform the Board through completion of an Intervenor Request Form if he wishes to pursue Intervenor Status.

PRESENTER

At the request of Mr. George Czmola, by fax dated June 24, 2001, copies of the correspondence exchanged between the Board office and him in the past year were made available to parties.

TIMETABLE

All parties indicated the timetable was acceptable.

The Board accepted the timetable as circulated.

Once again the Board notes the degree of co-operation among Intervenors and would encourage joint participation wherever possible. Further, those parties considering whether to call evidence are requested to advise the Board of their intentions at their very earliest opportunity and in compliance with the timetable attached.

IT IS THEREFORE ORDERED THAT:

1. The timetable attached hereto as Schedule "A" shall be the timetable for the orderly exchange of information by the participating parties.
2. Schedule "B" attached hereto shall apply with respect to the hearing of the MPI Application.
3. Intervenor status shall be awarded to the following applicants:
 - a) Canadian Automobile Association Manitoba;
 - b) Coalition of Manitoba Motorcycle Groups;
 - c) Consumers' Association of Canada
(Manitoba) Inc./Manitoba Society of Seniors;

- d) Manitoba Car and Truck Rental Association;
- e) Insurance Brokers Association of Manitoba;
- f) Canadian Bar Association (Manitoba Branch).

THE PUBLIC UTILITIES BOARD

"G. D. FORREST"

Chairman

"G. O. BARRON"

Secretary

Certified a true copy of Order
No. 104/01 issued by The Public
Utilities Board

Secretary

SCHEDULE "A"

**TIMETABLE
MANITOBA PUBLIC INSURANCE (MPI)
RATE APPLICATION FOR MARCH 1, 2002 RATES**

| ITEM | 2001 DATES | DAY OF WEEK | ELAPSED WORKING DAYS |
|---|-----------------------|------------------------|-------------------------------------|
| 1. Application filed and served | June 6 | Wednesday | 0 |
| 2. Notice of Public hearing to be published | June 9 | Saturday | 2 |
| 3. a) Pre-hearing Conference b) Intervenors Complete Registration c) Settle Hearing Procedure and exchange of information timetable d) Discuss possibility of joint intervention | June 25 | Monday | 12 |
| 4. Board to circulate list of Intervenors, complete timetable to Intervenors and Applicant | June 28 | Thursday | 15 |
| 5. Last day to file as an Intervenor | July 3 | Tuesday | 17 |
| 6. MPI to be in receipt of first round information requests | July 9 | Monday | 21 |
| 7. MPI to provide responses to first round information requests | July 27 | Friday | 35 |

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| 8. MPI to be in receipt of second round information requests | Aug 24 | Friday | 54 |
| 9. MPI to publish Reminder Notice and any amendments to Application | Sept 8 | Saturday | 64 |
| 10. a) MPI to file responses to second round information requests b) MPI to file and serve any further amendments to application, if required | Sept 14 | Friday | 68 |
| 11. a) Intervenors to file pre-filed testimony to all parties b) Parties to file any motions | Sept 21 | Friday | 73 |
| 12. Intervenors to be in receipt of information requests from all parties | Sept 26 | Wednesday | 76 |
| 13. Board to hear all motions | Sept 28 | Friday | 78 |
| 14. a) MPI to file rebuttal evidence b) Intervenors to provide responses to all information requests | Oct 3 | Wednesday | 81 |
| 15. Board decision on motions, meeting among Counsel, if required | Oct 5 | Friday | 83 |
| 16. Hearing commences | Oct 15 | Monday | 88 |

SCHEDULE "B"

**PROCEDURES TO BE FOLLOWED AT THE
MANITOBA PUBLIC INSURANCE CORPORATION
2002 INSURANCE RATE HEARING**

1. Hearing and Rural Meetings:
 - a) Winnipeg hearing will be held at the Board's office, 4th floor, 330 Portage Avenue, Winnipeg, commencing October 15, 2001 at 9:00 a.m. and continuing thereafter as necessary.
 - b) Rural Meetings - time, location and place to be identified.
2. Hearing Times Each Day: 9:00 a.m. to 12:00 Noon
1:15 p.m. to 4:30 p.m.
3. Assigned Sittings: Presenters will be heard commencing at 1:15 p.m. and at 7:00 p.m., Monday, October 15, 2001, if necessary.
4. Opening Statements by Board Counsel, by Counsel for MPI and other Counsel or representatives of registered intervenors.
5. (a) MPI to file their application and supporting evidence.
(b) MPI to introduce witnesses. Board Counsel and intervenors to cross-examine the Corporation's witnesses (order to be determined).
6. (a) Leading of testimony by witnesses for intervenors, if any, will be in alphabetical order by name of Intervenor and updated as necessary.
(b) Witnesses to be available for cross-examination by all parties following each presentation.

7. All interrogatories are to be filed and responded to using the prefixes as assigned by the Board when intervenors are registered (set out in the body of the Order). The party requesting information is to use firstly their prefix followed by the prefix of the party being asked e.g. PUB/MPI, etc. Interrogatories are to be numbered sequentially through 1st and 2nd rounds.
8. All pre-filed evidentiary material to be filed at the commencement of the hearing by Board Counsel using assigned prefixes.
9. All witnesses to highlight their evidence.
10. All witnesses to be sworn or affirmed.
11. Daily transcripts will be available. Parties to make arrangements with the Reporter.
12. It is the Board's request that all motions be dealt with pursuant to the Board's Timetable.
13. Board Order No. 163/87 (available at the Board's office) dealing with the Awarding of Costs will apply to all matters before the Board.
14. The Board indicates its willingness to be available for any problems that may arise during the exchange of information at any time, such time to be arranged through Board Counsel.